



*Village of Wellington, Florida
Comprehensive Annual
Financial Report*

For the Year Ended September 30, 2009

VILLAGE OF WELLINGTON, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2009

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INTRODUCTORY SECTION



A GREAT HOMETOWN

Great Neighborhoods • Great Schools • Great Parks

Let Us Show You!



Council

Darell Bowen, Mayor
Matt Willhite, Vice Mayor
Dr. Carmine A. Priore, Mayor pro tem
Howard K. Coates, Jr., Councilman
Anne Gerwig, Councilwoman

Manager

Paul Schofield

March 30, 2010

***The Honorable Mayor, Members of the Village Council,
and Residents of the Village of Wellington, Florida***

It is with pleasure that we submit to you the Comprehensive Annual Financial Report (CAFR) of the Village of Wellington (the “Village”) for the year ended September 30, 2009. This report was prepared by the Office of Financial Management and Budget in accordance with the Village Charter, State Statutes and U.S. generally accepted accounting principles for governments. In addition to meeting legal requirements, this report reflects Wellington’s commitment to full financial disclosure. We encourage you to thoroughly read this report and some of the important items it addresses.

State law requires that a complete set of financial statements reporting Wellington’s financial position and results of activities be published within one year of fiscal year end. This report is to be presented in conformance with U.S. generally accepted accounting principles (GAAP) as applicable to governmental entities and audited by an independent firm of certified public accountants in accordance with U.S. generally accepted auditing standards.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with Wellington. To the best of our knowledge and belief, the data, as presented, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of Wellington on a government-wide and fund basis. All disclosures necessary to enable the reader to gain an understanding of Wellington’s financial activities have been included.

We believe the report will assist in making economic, social and political decisions and in assessing accountability to the residents by:

- ❖ comparing actual financial results with the legally adopted budget, where appropriate;
- ❖ assessing financial condition and results of operations;
- ❖ assisting in determining compliance with fiscally-oriented laws, rules and regulations; and
- ❖ assisting in evaluating the efficiency and effectiveness of Wellington’s operations.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The 2009 Comprehensive Annual Financial Report is the fourteenth Comprehensive Annual Financial Report prepared by Wellington. The Village was incorporated on December 31, 1995, and municipal operations commenced on March 28, 1996. Concurrent with incorporation, the former local government – Acme Improvement District (the “District”) – became a dependent district of the Village. During 2009, the Wellington Community Foundation, Inc. (the “Foundation”) was created. The Foundation's sole purpose is to raise funds for various Wellington projects and the Foundation provides exclusive benefit to Wellington.

The financial reporting entity includes all the funds of the primary government (the Village of Wellington, as legally defined), as well as all of its component units in accordance with GASB *Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, “Defining the Reporting Entity.”* Component units are legally separate entities for which the primary government is financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the Village's basic financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization's governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of the authority of the organization's governing board. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the District and Foundation are reported in the governmental funds (special revenue) of the primary government as blended component units.

PROFILE OF THE GOVERNMENT

The Village of Wellington is a full-service municipality located within the boundaries of Palm Beach County. The Village derives its government authority from a charter granted by the legislature of the State of Florida. The Village operates under a Council-Manager form of government. Four Council Members are elected at large on a non-partisan basis for staggered four-year terms; the Mayor is elected on a non-partisan basis for a three year term. The Village Council appoints the Village Manager who is the Chief Administrative Officer for Wellington and who directs the business of Wellington and its various departments. The Village Council determines policy, adopts legislation, approves the Village's budget, sets taxes and fees, and appoints the Village Attorney and members of various boards and committees.

Wellington provides a wide variety of community services including general government; planning, zoning and building; public safety (police protection); public works (construction and maintenance of roads, rights of way and other infrastructure; street lighting; and stormwater drainage); culture and recreation (parks maintenance, recreational activities, cultural events and related facilities); water and sewer utilities; and solid waste collection and recycling.

Wellington currently encompasses approximately 45 square miles in the east-central portion of Palm Beach County and is the 3rd largest municipality in the County based on its geographic area. When the District was initially created in 1953, fewer than 100 individuals resided in the area. Today, Wellington is an affluent bedroom community with an estimated current permanent population of 55,010 people residing in over 19,700 single-family homes with an average housing value of approximately \$260,000. Projections indicate that this population will exceed 60,000 residents by the year 2018.

Wellington offers tremendous diversity: the 10,000 acres north of Pierson Road consist of developments ranging from apartments to estate homes at the Polo Club and from town homes to the Aeroclub where the residents have airplane hangars attached to their homes. The 10,000 acres south of Pierson Road contain one of the world's premiere equestrian facilities, horse farms, agriculture, nurseries, and fully developed multi-million dollar 80-acre estates promoting equestrian activities. The primary sources of employment within Wellington are construction, agriculture and retail sales.

ECONOMIC CONDITION AND OUTLOOK

The growth and development of Wellington is dependent upon the economic environment of South Florida and particularly that of Palm Beach County. The major economic influences in this area are predominantly the housing market (including housing values, insurance, property taxes and mortgage interest rates), the regional job market, new construction, weather events and uncertainty of any future tax reform. In 2009, the Consumer Price Index decreased slightly and minimal increases are expected for 2010. Consideration of the impact of these economic indicators is critical as Wellington endeavors to develop its resources and facilities to meet the demand of its residents as well as to comply with regulatory requirements.

During 2007 the Florida Legislature passed property tax reform legislation limiting the property tax levies of local government in the State of Florida. For the fiscal year ending September 30, 2010, the maximum tax levy allowed by a majority vote of the governing body is based on a percentage reduction applied to the prior year property tax revenue. The percentage reduction is calculated based on the annual growth rate in the per capita property taxes levied for fiscal year ended September 30, 2009. For the fiscal year ending September 30, 2010 the Village Council adopted a rate of 2.50 mills. This millage rate results in a total tax levy of \$14.4 million, representing a reduction of \$2.5 million, or 14.8% from the property tax levy for 2009. Future property tax growth is limited to the annual growth rate of per capita personal income, which is currently minimal, plus the value of new construction.

The impact of the ongoing recession and declining property values became a central influence in decisions made during this fiscal year and in next year's budget. The combination of the current recession and collapse of the housing market have resulted in declining property values and in a large loss of tax dollars, state shared revenues, and new construction related revenues. Foreclosures have continued to increase, and while Wellington has been able to collect on its property tax levies, there is some future uncertainty. Additionally, there is current proposed legislation that could place further restrictions on the amount of property taxes a municipality in Florida could levy.

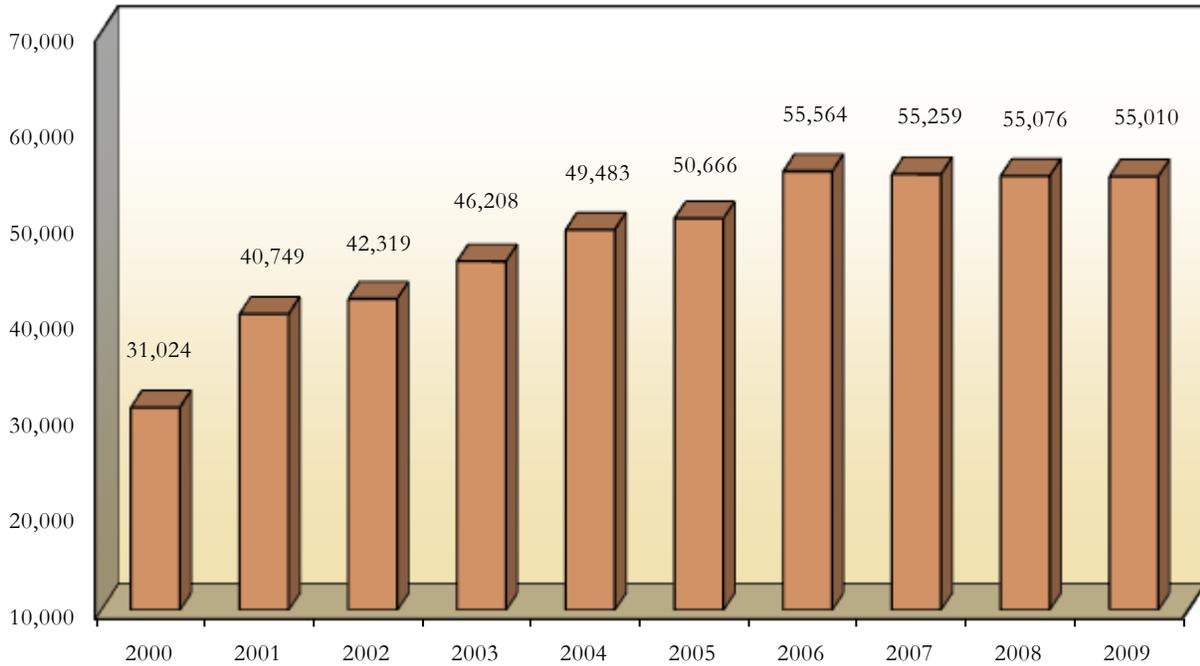
Forecasts have long indicated a decline in the local growth, and tax reform was anticipated for several years. In order to meet the challenges posed by these dynamics, council and management have identified key initiatives that are expected to impact future fiscal results in the near and far future. Wellington's key initiatives were the focus of the FY 2010 budget development and impact the major programs and issues described later.

Between 1999 and 2008, total employment in Palm Beach County was relatively stable while population increased at an average annual rate of approximately 3%. However, the current economic recession has resulted in high unemployment rates in Wellington and the region. Current unemployment rate estimates approximate 11.7%. Population growth for Wellington, based on information obtained from Palm Beach County, the U.S. Census Bureau, the Bureau of Economic and Business Research at the University of Florida, and the Treasure Coast Regional Planning Council (TCRPC), is illustrated below.

The population growth of the area within Wellington has consistently exceeded that of the County. Specifically, in the years 2003 to 2007, Palm Beach County estimates a total population growth of 7%, where

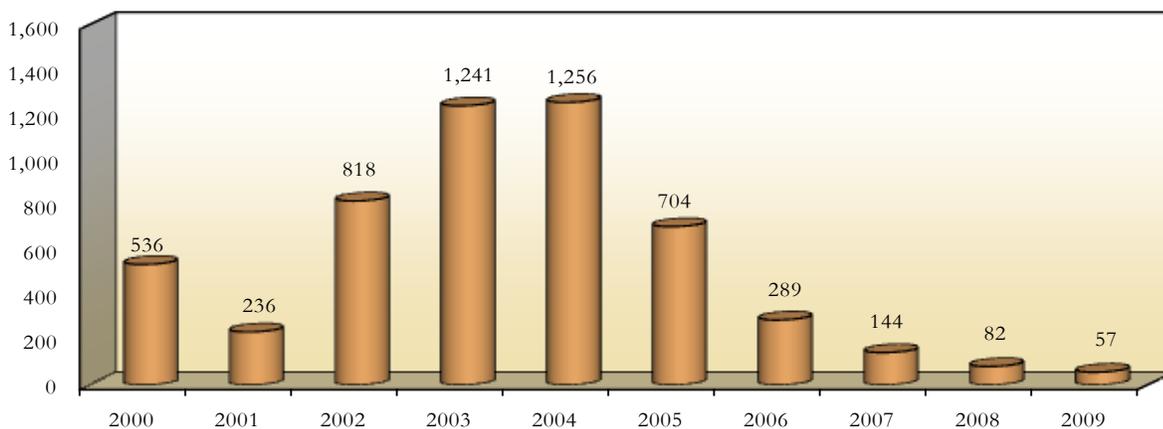
Wellington's residents grew by an estimated 20%. Wellington's estimated 2009 permanent population of 55,010 (excluding seasonal residents) makes it the 5th largest municipality in Palm Beach County.

2000-2009 HISTORICAL POPULATION



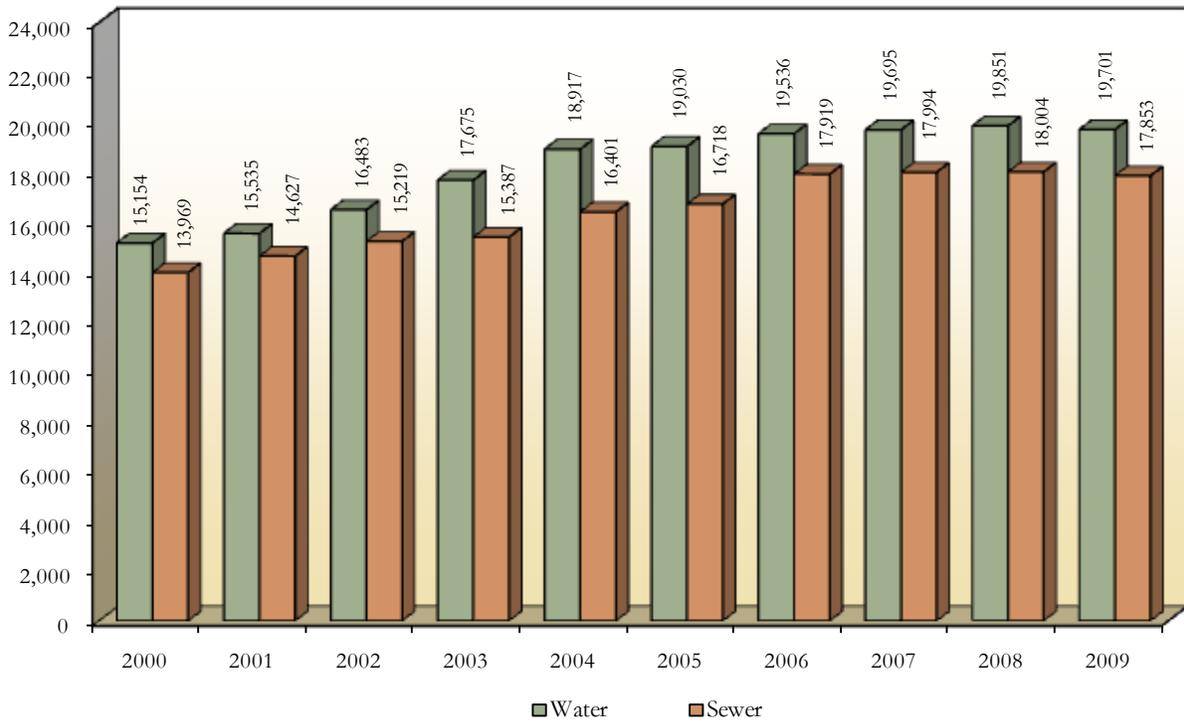
The strength of the local economy can also be seen in the beginning of this decade by the number of single family building permits issued as well as in the growth of Wellington's number of active water and sewer accounts. The local housing market saw a large boom beginning in 2002, with major new developments coming on line. This boom was evidenced in the increase in water accounts and in single family building permits. This fast-paced increase leveled off in 2005 and has declined in the last five years. A reduction in new construction is evidenced by Wellington's single family building permits issued in recent years as shown below, signifying a halt to the expansive growth period primarily due to the economy. While new home construction has significantly decreased, there has been an increase in multi-family residential units.

2000-2009 SINGLE FAMILY BUILDING PERMITS



Between 2000 and 2009, Wellington’s number of active utility accounts increased 30%, or at an average annual rate of 3.0%. At present, Wellington has 19,701 water service customers and 17,853 wastewater service customers. At buildout, it is projected that the water system will service over 21,000 accounts and the wastewater system will service over 19,000 accounts.

2000-2009 HISTORICAL ACTIVE WATER AND WASTEWATER ACCOUNTS



MAJOR INITIATIVES

Strategic Planning Model

The Village Comprehensive Plan was adopted in January 1999, in compliance with Florida Statutes Chapter 163, Florida Department of Community Affairs. The Plan document is intended to guide future growth and development and to provide an overall vision for the community. The Comprehensive Plan was developed with community participation which established numerous goals for the community.

During the 2007 fiscal year Village leaders revisited the original vision and strategic plan to reaffirm its principles and values, and to identify the challenges and needs of the current and future community. Additionally, the goals had to be realigned to respond to tax reform. The result is a comprehensive strategic plan incorporating the Vision, Plan, Execution, Mission and Core Beliefs for the next 15 years of Village governance.

STRATEGIC PLANNING MODEL

Value-based principles that describe the preferred future in 10 years	VISION	Destination "You Have Arrived"
Strategic goals that focus outcome-base objectives and potential actions for 5 years	PLAN	Map "The Right Route"
Focus for one year – a work program: policy agenda for Mayor and Council, Management for staff; major projects	EXECUTION	Itinerary "The Right Direction"
Principles that define the responsibility of city government and frame the primary services – core service businesses	MISSION	Vehicle "The Right Bus"
Personal values that define performance standards and expectations for employees	CORE BELIEFS	Fuel "The Right People"

Plan updates for 2010 include a vision for "A Great Hometown" and a streamlined Vision and Mission to clarify our direction. The Vision for Wellington is, "A Great Hometown" and the Mission "To provide high quality services that create economic, environmental and social sustainability for residents". Or more simply put, to provide services that our customers need, want, and are willing to pay for. The Strategic Plan was updated as well to narrow the focus to the five major areas mentioned below which shape our annual budget initiatives and support the vision and mission.

- ❖ Neighborhood Renaissance
- ❖ Protecting the Investment
- ❖ Respecting the Environment
- ❖ Economic Development
- ❖ Responsive Government

Wellington's strategic plan provides definition and value to the objectives by setting forth the meaning to citizens and describing the long- and short-term challenges and opportunities presented by the current social and economic environment.

The following key Village initiatives are the focus of the FY 2010 budget development:

- *Safe Neighborhoods* – Focus on neighborhood advocacy, code enforcement, nuisance abatement and outreach activities.
- *Public Safety* – Focus on improving the safety of Village residents by maintaining a police contract with the Palm Beach County Sheriff's Office and putting into place a Comprehensive Emergency Management Plan that emphasizes mitigation as well as an early, organized response to an emergency.

- *Economic Development* – Pursue community partnerships, attract businesses, foster growth of quality jobs, and develop housing clusters that support the Village’s community identity. Focus on capital projects that improve Village services, emphasize personal safety and security and create jobs.
- *Infrastructure Maintenance* – Focus on existing infrastructure and enhanced maintenance programs for Village facilities, roadways and hardscapes.

Accomplishments and Future Projects

The following were among many additional diverse activities and accomplishments to which the elected officials and staff devoted their energies in Fiscal Year 2008/2009.

- ❖ GFOA Certificate of Achievement for Excellence in Financial Reporting was received for the Village’s Comprehensive Annual Financial Report for the Fiscal Year October 1, 2007 through September 30, 2008. This award has been received for thirteen consecutive years.
- ❖ GFOA Award for Distinguished Budget Presentation was received for the Village’s Annual Budget for the Fiscal Year October 1, 2008 through September 30, 2009. This award has been received for fourteen consecutive years.
- ❖ Awarded over \$7.5 million in grants to support Forest Hill Boulevard project, energy efficiency at the new Municipal Complex, hazard mitigation, construction of a new amphitheater and funding for safe neighborhood initiatives.
- ❖ Educated numerous Wellington residents regarding foreclosures during foreclosure educational forums.
- ❖ Installed Wi-Fi capabilities throughout Wellington, mainly to be used for water meters and telemetry.
- ❖ Implemented remote operation of flood control pumps.
- ❖ Emergency Management Plan revised.
- ❖ Refunded Wellington taxpayers over \$2 million from solid waste assessments paid in 2006.
- ❖ Continued funding per the “Wellington Education Initiative”, developed by the Village Council and the Village’s Education Committee, to Wellington schools through challenge grants and funding for materials.
- ❖ Completed the following capital projects during 2009:
 - Restoration of 10-acre site
 - Pump Station Trash Racks
 - Water Control Structures
 - Minto Track Lighting
 - Flying Cow Road, Phase I
 - Forest Hill Blvd. Signal at Quercus
 - FPL Corridor – Landscape Big Blue Trace
 - 5.4 MGD Reverse Osmosis Plant Expansion
 - Wireless Water Meter Replacement/Upgrade

The following capital projects are planned for the next fiscal year:

- ❖ Forest Hill Boulevard improvements including roadway overlay and drainage, landscape, signalization, signage and lighting.
- ❖ Town Center at the Community Center Site including a one-stop municipal complex, barrier free playground and amphitheater.
- ❖ Aquatics facilities enhancements including renovation of the existing building, the addition of a concession stand and pool enhancements to increase capacity.
- ❖ Relocation of Boys and Girls Club in order to better facilitate the users of the club.

- ❖ Section 24 Impoundment including the inflow pump station #9, outflow water control structures and related features as set forth by SFWMD Basin B discharge MOU amendment. This will improve water resource management facilities to meet regional multi-purpose objectives including environmental restoration, flood protection, water quality enhancements and recreation.
- ❖ South Shore Boulevard Widening project involves the expansion of the roadway to a two-lane medianed roadway with a sidewalk on one side and a bridle trail on the other.
- ❖ Wastewater Treatment Facility Expansion to expand the capacity of the wastewater treatment facility from 4.75 MGD to 6.50 MGD, to expand reuse capacity from 0.50 MGD to 4.00 MGD, and provide for future biosolids disposal.
- ❖ Storage Reservoir and Repump Facility project includes land acquisition and in-line booster pump station with emergency generator so that Wellington is in compliance with fire protection requirements along U.S. 441.

Water Quality Issues

Surface Water Issues/Basin B drainage issues continue to be one of the biggest issues and challenges Wellington faces. The Everglades Forever Act required that all discharge into the Everglades Protection Area meet water quality standards established by the State which required Wellington residents to pay the cost of phosphorus removal from Basin B, the area roughly south of Pierson Road.

Through much dedication and unparalleled cooperation with SFWMD, U.S. Army Corps of Engineers (ACOE), and other local and state agencies, Wellington has developed state-of-the-art pilot programs, explored green technologies such as PSTA (Periphyton Assisted Stormwater Treatment Areas), worms, soil additives, filters and mushrooms to reduce phosphorus runoff. Additionally, Wellington has completely redesigned the Wellington drainage system to divert unclean water from direct discharge to the Loxahatchee Wildlife Preserve and installed auto-samplers and telemetry systems which identified three primary phosphorus “hot-spots”. Future direction of the water quality initiatives includes the following:

- ❖ Continue working with SFWMD and ACOE in refining the cooperation agreement to ensure that structured parts of the project are built on time and within budget.
- ❖ Continue to explore the use of different materials to reduce phosphorus levels in our water.
- ❖ Continue to educate the public on sound BMP practices.

Major Surface Water Action Team projects include:

Basin B Improvement Project

Wellington has been working very closely with its partner, South Florida Water Management District on the completion of the entire Acme Basin B Discharge Project that when complete, will divert urban storm water runoff from the local drainage basin ending all direct discharges into the federally-managed lands. The only remaining phase of the project is the construction of Section 24.

Section 24 Pilot Project

One of the final components of compliance with the Everglades Forever Act is the successful implementation of Section 24 (Recreational Wetland Acquisition, Planning and Development Study) providing for the development of a wetlands park for the purpose of preserving the wetlands for environmental and recreational uses. The potential future uses of the property include recreational uses consisting of elevated nature boardwalks and walking trails, canoeing and fishing, wetlands mitigation bank, storm water retention and recharge area. It is also proposed to develop an environmental education and conference center on eight acres of land within Section 24 next to the Loxahatchee National Wildlife Refuge for environmental conferences, education and ecological exhibits in the midst of the distinctive area ecological systems.

Wellington has done more than any municipal government to reduce the phosphorus content in its storm water runoff to the level mandated by the Everglades Forever Act. By continuously investigating technological advances, studying environmental indicators, educating the public and working as a team with all concerned agencies, Wellington is doing its share for tomorrow's Everglades.

Annexations/Growth

Since Wellington incorporated in 1995, nine separate neighborhoods have chosen to join our community. Every annexation into Wellington has been voluntary. Owners approach Wellington for a variety of reasons. Some seek the higher property values Wellington residents enjoy; others desire higher levels of service and lower density levels that cannot be matched by the County. Including these annexations, Wellington now encompasses approximately 45 square miles.

FINANCIAL INFORMATION & RELEVANT FINANCIAL POLICIES

Accounting and Administrative Controls

Wellington's internal control structure is designed to ensure that Wellington's assets are protected against loss from theft, unauthorized use, or disposition and to ensure that adequate and reliable financial records are available for preparing financial statements in conformity with U.S. generally accepted accounting principles. The internal controls provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework and it is our belief that Wellington's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary Control

Wellington adopts fiscal year budgets for all funds. Wellington maintains budgetary controls with the objective being to ensure compliance with legal provisions contained in the annual appropriated budget approved by the Village Council. The level of budgetary control is the fund. The Village Manager or designee is authorized to transfer budgeted amounts within departments of any fund, while revisions that alter the budgeted totals of any fund require approval of the Village Council. Monthly budget reports are prepared in detail for each department, with actual revenues and expenditures being compared with appropriated revenues and estimated expenditures. Corrective actions are initiated as necessary to maintain budgetary compliance.

As demonstrated by the budgetary comparison schedules included in the required supplementary information and other supplementary information sections of this Comprehensive Annual Financial Report, Wellington continues to meet its responsibility for sound financial management practices.

Capital Financing

In conjunction with the operating budget, the Village Manager annually presents a program to provide for improvements to Wellington's public facilities for the ensuing fiscal year and next four years, along with proposals for the financing of these improvements. This five-year plan is called the Capital Improvement Program. The first year of the program constitutes the capital budget for the coming fiscal year; the remaining years are used as a planning guide. The program allocates funding over five years for Wellington's roads, park development, public works projects, and new equipment. The Village's Capital

Improvement Program for fiscal years 2010 through 2014 calls for expenditures approximating \$27.8 million in the governmental funds and approximately \$27.0 million in the enterprise funds.

Reserves and Surplus

One of the primary reasons the Village Council and staff feels they were able to and will continue to respond effectively to potential future tax reform, declining property values, and the ongoing recession despite increased cost for products and services is the strong financial position of Wellington.

Wellington has decided to use some of its past surplus and reserves as follows:

- √ To fund governmental and utility capital projects on a pay-as-you-go basis.
- √ To fund a millage rate stabilization account to balance rising costs with future tax reform-mandated millage rate decreases.
- √ To reserve \$3 million for possible future storm event expenditures.
- √ To establish a health insurance reserve to defray those rising costs.
- √ To supply funds for renewal and replacement of capital projects and equipment.
- √ To fund future capital projects.
- √ To fully fund Other Postemployment Benefits (OPEB).

Wellington maintains unreserved and undesignated reserves for the general fund (\$12.7 million), planning, zoning and building (\$1.8 million) and recreation programs (\$4.8 million). The general fund undesignated reserves are equal to roughly 36% of Wellington's 2009/2010 adopted general fund budget while the other reserves are equal to between 25% and 30% of their respective funds' operating budgets.

The Council has set a target for reserves between 25% and 30% and has generally set tax rates in the last few years that keep these reserves within the target range. The reserves are generally considered a necessary function of sound fiscal management for a variety of reasons:

- ◆ A time lag in the first fiscal quarter in the collection of property taxes (including assessments) in each year.
- ◆ Unforeseen activities and regulatory mandates during the course of the year.
- ◆ Natural disasters, such as hurricanes; these can not only affect spending, but tend to impact the local and even national economy, thereby affecting revenues.
- ◆ Elastic revenues: since 2000, 11-16% of Wellington's revenues have been elastic, which is based on economic factors and growth estimates that can easily deviate from projections.
- ◆ Increases in expenditures: there exists a potential for increases to anticipated expenditures based on bid results, litigation, contract renewals, additional services, etc.
- ◆ Gap in the timing of the receipts of borrowed funds, intergovernmental revenues, and other sources of funds.

Cash & Investment Management

The investment policy stresses safety, liquidity, and investment yields on invested assets. To ensure the safety and the protection of the public's assets, the Village strives to invest in assets that have the highest possible credit rating. The portfolio consists of securities that strive to maximize the return on investments while being structured to provide sufficient liquidity to pay current obligations and to match future capital project spending. Additional information can be found in Note 2 to the financial statements.

Wellington's investment strategy is promulgated within the framework of an investment policy which establishes a conservative set of investment criteria that prudently protects Wellington's principal and enables Wellington to generate a fair rate of return from its investment activities. The primary focus of Wellington's investment policy is the safeguarding of public assets by minimizing credit and market risk. Wellington uses a pooled cash concept for the funds under its control. Wellington invests in those instruments authorized by State Statutes, Village resolutions, and applicable bond resolutions. Wellington's temporarily idle cash was invested within the guidelines of the adopted investment policy in money market mutual funds and U.S. Treasury securities. Wellington's invested funds achieved an annual average rate of return of 3.8%, resulting in total investment income of \$5.1 million in 2009.

Debt Service Administration

In Florida, there is no legal debt limit. All general obligation debt pledging payment from ad valorem taxes must be approved by referendum, unless it is to refund outstanding debt. Article VII, Section 12, of the Florida State Constitution states "Counties, school districts, municipalities, special districts, and local governmental bodies with taxing powers may issue bonds, certificates of indebtedness, or any form of tax anticipation certificates payable from ad valorem taxes and maturing more than twelve months after issuance only to finance or refinance capital projects authorized by law and only when approved by vote of the electors ...". Wellington has no general obligation debt outstanding.

All applicable debt covenants such as ratios of net income to debt service, sinking funds and insurance coverage have been met or exceeded. Wellington has an underlying bond rating of Aa3 from Moody's Investors Services and AA from Fitch based on the financial stability of Wellington.

Risk Management

Risk management is the systematic, logical, and continuous process which identifies exposures to different types of losses, evaluates the potential cost of these losses, and identifies the most cost effective method or methods to deal with them. These methods include reducing or eliminating the risk by sound loss control and safety practices. Wellington has traditionally financed loss exposures through conventional insurance with varying levels of retention. An active and ongoing risk management program along with loss control measures is coupled with an annual evaluation of the methods of financing the exposure, to produce what Wellington feels is an effective and efficient program.

Wellington purchases insurance coverage for workers compensation, property damage and general liability through the Florida League of Cities insurance program, which assumes all risk of loss up to the policy maximum. Insurance coverage is evaluated annually by management and adjusted as necessary to provide the most cost effective protection for Wellington.

Independent Audit

An audit of Wellington's financial records, as required by State Statutes and the Village Charter, was performed by the independent certified public accounting firm Caler, Donten, Levine, Porter & Veil, P.A. The auditors' report on the financial statements is included in the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Wellington, Florida, for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2008. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Village of Wellington has received the Certificate of Achievement for the last thirteen consecutive years (1996-2008). We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

In addition, the Village also received the GFOA's Award for Distinguished Budget Presentation for the Fiscal Year beginning October 1, 2008. The Village has received this award for the last fourteen years. In order to earn the Distinguished Budget Presentation Award, the Village's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization. We have submitted the Village's 2010 budget document to the GFOA, as we believe it also conforms to the program requirements.

Acknowledgements

Preparation of this report could not have been accomplished without the dedicated efforts of Mireya P. McIlveen, CPA, Director of Financial Management and Budget. The following OFMB staff also contributed to this report: Mindy Boersma; Chris Johnson, CPA; Rachelle Handwerker; Carol Stone; Tisa Sullivan; Maria Miserendino and Candy Nasby. Their technical expertise and concerted efforts were truly evident in the audit process. Their assistance and cooperation have allowed us to prepare, on a timely basis, a report which gives its readers a comprehensive view of Wellington's financial and economic position. We also extend our sincere appreciation to the independent certified public accounting firm of Caler, Donten, Levine, Porter & Veil, P.A. for the professionalism and cooperation shown during the performance of the engagement and the expertise shown in financial reporting for government entities.

We believe that this report reflects the sound financial position of Wellington. We would like to thank the Mayor, the Village Council, and the residents of Wellington for their interest and support toward the planning and administration of the financial operations of Wellington in a responsible, progressive manner. With this support, we have been able to maintain a high degree of fiscal health and responsibility for Wellington in our challenging environment.

Respectfully submitted,



Francine L. Ramaglia, CPA
Assistant Village Manager

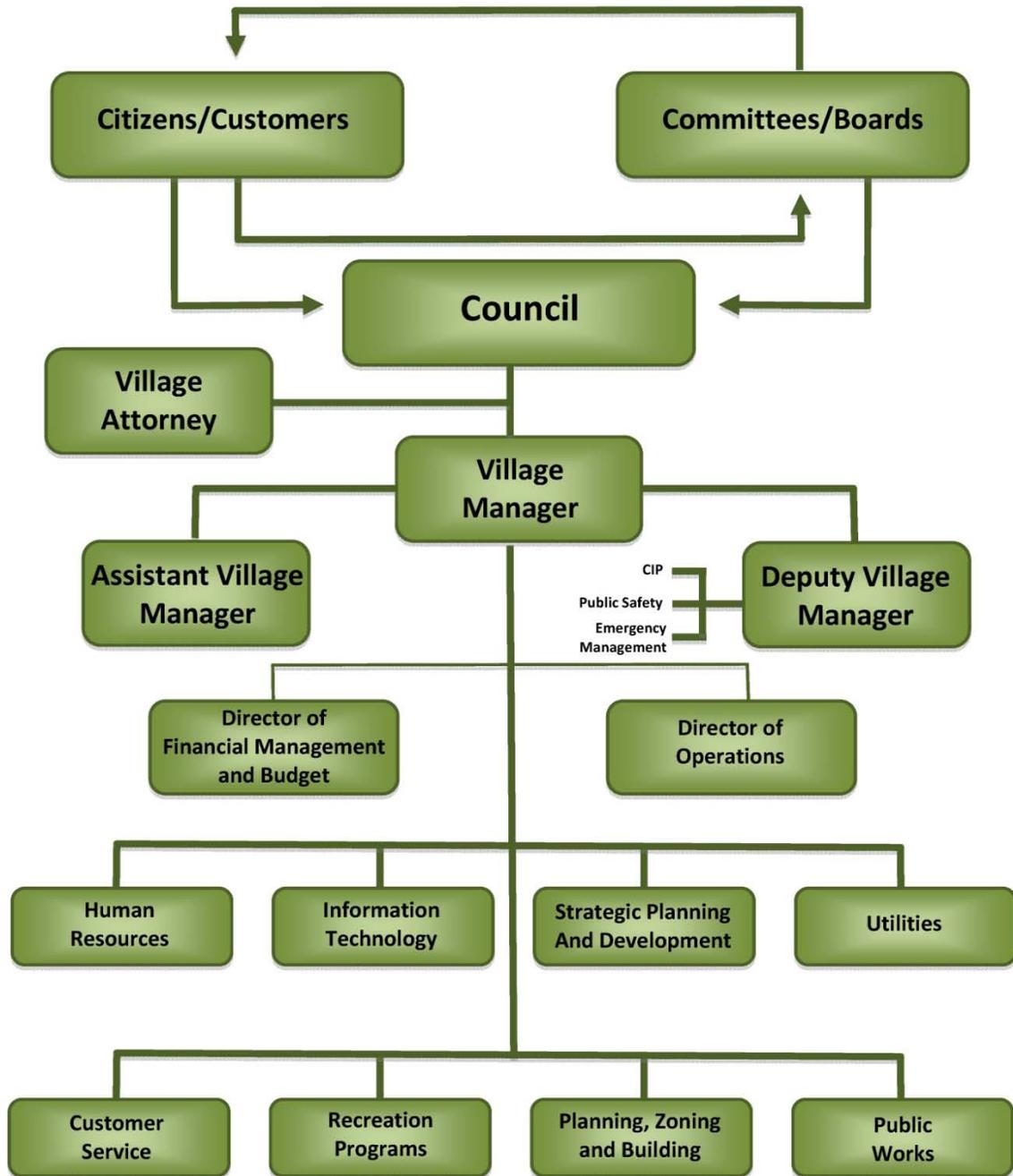


Paul Schofield
Village Manager

VILLAGE OF WELLINGTON, FLORIDA
AS OF THE YEAR ENDED SEPTEMBER 30, 2009
LIST OF PRINCIPAL OFFICIALS

TITLE	NAME
Mayor	Darell Bowen
Vice Mayor	Dr. Carmine A. Priore
Council Member	Lizbeth Benacquisto
Council Member	Matt Willhite
Council Member	Howard K. Coates, Jr.
Village Manager	Paul Schofield
Deputy Village Manager	John Bonde
Assistant Village Manager	Francine L. Ramaglia, CPA
Village Clerk	Awilda Rodriguez, CMC
Village Attorney	Jeffrey Kurtz, ESQ

VILLAGE OF WELLINGTON ORGANIZATION
 AS OF THE YEAR ENDED SEPTEMBER 30, 2009



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Wellington
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

FINANCIAL SECTION



CALER, DONTEN, LEVINE, PORTER & VEIL, P.A.

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Independent Auditor's Report

To the Honorable Mayor and
Village Council
Village of Wellington, Florida

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Wellington, Florida, as of and for the year ended September 30, 2009, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of Wellington, Florida. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Wellington, Florida, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2010, on our consideration of the internal control over financial reporting of the Village of Wellington, Florida, and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The *management's discussion and analysis* and the *required supplementary information* on pages 3 through 12 and pages 51 through 56, respectively, are not a required part of the basic financial statements, but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Village of Wellington, Florida. The introductory section, the combining nonmajor fund statements and other supplemental information, and the statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village of Wellington, Florida. The combining nonmajor fund statements and other supplemental information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Caler, Dauter, Levine,
Porter & Veil, P.A.*

March 30, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

VILLAGE OF WELLINGTON, FLORIDA

Management's Discussion and Analysis

September 30, 2009

The Village of Wellington's Management's Discussion and Analysis (MD&A) is designed to provide an objective and easy to read analysis of the Village's financial activities based on currently known facts, decisions, and conditions. It is intended to provide a broad overview and short-term and long-term analysis of the Village's activities based on information presented in the financial statements. Specifically, this information is designed to assist the reader in focusing on significant financial issues, provide an overview of the Village's financial activity, identify changes in the Village's financial position (its ability to address the next and subsequent years' challenges), identify material deviations from the approved budget, and identify individual fund issues.

The information contained within this MD&A is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the footnotes and the other Required Supplementary Information that is provided in addition to this MD&A.

FINANCIAL HIGHLIGHTS

- ❖ Government-wide total assets exceeded liabilities (net assets) at the close of the fiscal year by \$337.1 million, which is an increase of 3.3% or \$10.7 million over 2008. Of this amount, \$51.9 million is in unrestricted net assets, which is available to meet the ongoing commitments to citizens and creditors.
- ❖ Net assets of governmental activities increased approximately \$14.2 million, or 7.8%.
- ❖ Government-wide total revenues were \$75.1 million, while government-wide total expenses were \$64.4 million. The total revenues increased 4.9% or \$3.5 million while the total expenses increased 14.7% or \$8.2 million.
- ❖ Governmental Activities generated \$53.2 million in revenue with \$42.6 million in direct expenses.
- ❖ Business-type Activities generated \$22 million in revenue with \$21.9 million in direct expenses.
- ❖ Total investment in capital assets, net of related debt, accounts for \$212.7 million of the Village's total net assets of \$337.1 million.
- ❖ Governmental funds ended the year with a combined fund balance of \$83.2 million, which is an increase of 7.9% or \$6.1 million over 2008. Of that amount, the unreserved, undesignated portion is \$20.7 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Village's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of

whether the financial position of the Village is improving or deteriorating. Other factors should be considered, however, such as the condition of capital assets (canals, bridges, buildings, etc.) to assess Wellington's overall health.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The government-wide financial statements can be found on pages 13-15 of this report.

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate legal compliance with finance-related legal requirements. The Village's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Governmental funds use different accounting approaches from proprietary and fiduciary funds.

Basic services are reported in governmental funds, which focus on near-term inflows and outflows of spendable resources and the balances of spendable resources available at year-end. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The fund financial statements provide detailed information about the most significant funds – not the Village as a whole. Accordingly, four major funds are reported individually in the governmental funds balance sheet and statement of revenues, expenditures and changes in fund balances. The remaining governmental funds are reported as a combined total. Major governmental funds for the year ended September 30, 2009 were the General Fund, Planning, Zoning, and Building Special Revenue Fund, Recreation Programs Special Revenue Fund, and the Capital Projects Fund. The basic governmental fund financial statements can be found on pages 16-21 of this report.

Proprietary funds are used to account for revenues and expenses from services provided on a user-charge basis to the public. Proprietary fund activities are reported on the same accounting basis and measurement focus as the statement of net assets and the statement of activities. This is similar to that found in the private sector and provides a periodic measurement of net income. Proprietary activities are accounted for in enterprise funds for water and wastewater operations and solid waste collection and recycling. The Village's major enterprise funds for the year ended September 30, 2009 were the Utility System Fund and the Solid Waste Fund. The basic proprietary fund financial statements can be found on pages 22-25 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 26-27 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 28 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This information includes budgetary comparisons for the general fund and major special revenue funds. It also includes statistical information on the assessed condition of the Village's road system and on budgeted road maintenance expenses. Required supplementary information can be found on pages 52-57 of this report.

The major capital projects fund and the combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules for the major capital projects fund and the nonmajor funds can be found on pages 58-67 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village of Wellington, assets exceeded liabilities by \$337.1 million at the close of the most recent year. The largest portion of the Village's net assets (63.1%) reflects its investment in capital assets, net of related debt. The Village uses capital assets to provide services to citizens; accordingly, these assets are not available for future spending.

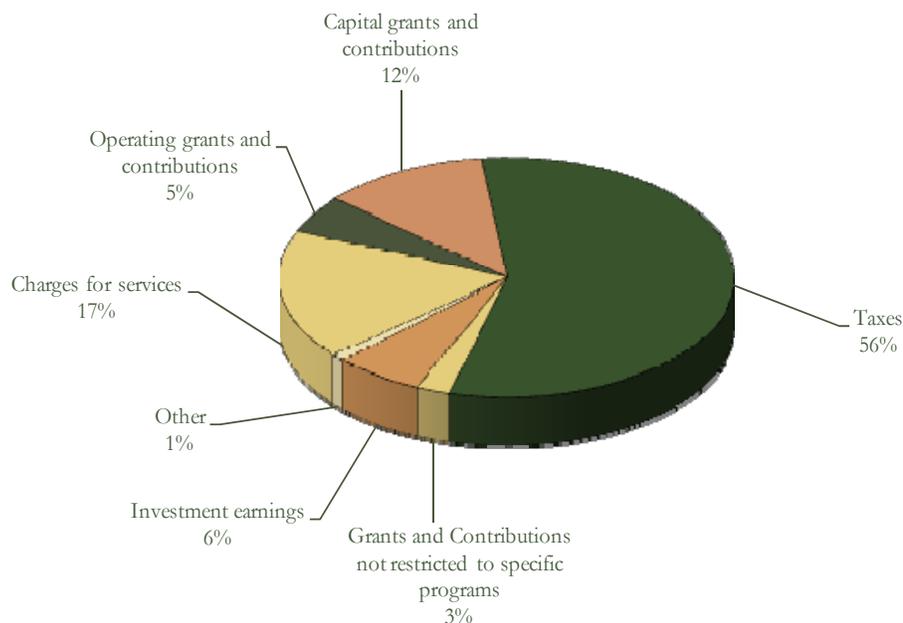
Restricted net assets of \$72.6 million are reported in both the governmental and business-type activities. These net assets have limits on their use that are externally imposed (gas tax, impact fees, and bond covenants) and imposed by enabling legislation (planning, zoning and building and surface water management). These resources can be used only for future construction; planning, zoning and building; surface water management; or debt service activities. The remaining unrestricted net assets may be used to meet the government's ongoing operations.

Village of Wellington's Net Assets						
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 91,330,272	\$ 82,333,822	\$ 44,089,345	\$ 54,776,470	\$ 135,419,617	\$ 137,110,292
Capital Assets	132,350,735	125,438,141	110,284,068	108,827,510	242,634,803	234,265,651
Total Assets	\$ 223,681,007	\$ 207,771,963	\$ 154,373,413	\$ 163,603,980	\$ 378,054,420	\$ 371,375,943
Long-term debt outstanding	\$ 20,065,498	\$ 21,321,191	\$ 11,097,764	\$ 13,212,164	\$ 31,163,262	\$ 34,533,355
Other liabilities	7,674,832	4,757,694	2,081,559	5,640,257	9,756,391	10,397,951
Total Liabilities	\$ 27,740,330	\$ 26,078,885	\$ 13,179,323	\$ 18,852,421	\$ 40,919,653	\$ 44,931,306
Net Assets:						
Invested in capital assets, net	\$ 113,282,864	\$ 105,313,318	\$ 99,398,303	\$ 96,014,639	\$ 212,681,167	\$ 201,327,957
Restricted	50,839,732	50,931,320	21,733,487	8,742,086	72,573,219	59,673,406
Unrestricted	31,818,081	25,448,440	20,062,300	39,994,834	51,880,381	65,443,274
Total Net Assets	\$ 195,940,677	\$ 181,693,078	\$ 141,194,090	\$ 144,751,559	\$ 337,134,767	\$ 326,444,637

Village of Wellington's Change In Net Assets						
	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for services	\$ 9,231,086	\$ 10,318,121	\$ 18,192,631	\$ 16,148,006	\$ 27,423,717	\$ 26,466,127
Operating grants and contributions	2,696,528	2,057,158	-	1,522,575	2,696,528	3,579,733
Capital grants and contributions	6,344,784	2,590,188	2,093,940	1,068,875	8,438,724	3,659,063
General revenues:						
Taxes	29,661,130	30,926,885	-	-	29,661,130	30,926,885
Grants and contributions not restricted to specific programs	1,288,129	1,231,994	-	-	1,288,129	1,231,994
Investment earnings	3,401,293	2,910,930	1,689,327	2,238,123	5,090,620	5,149,053
Other	534,529	626,048	-	-	534,529	626,048
Total Revenues	53,157,479	50,661,324	21,975,898	20,977,579	75,133,377	71,638,903
Program expenses including indirect expenses:						
General government	1,831,740	2,026,436	-	-	1,831,740	2,026,436
Public safety	7,216,055	7,090,722	-	-	7,216,055	7,090,722
Planning and development	5,047,424	4,921,497	-	-	5,047,424	4,921,497
Engineering and public works	6,462,735	3,551,706	-	-	6,462,735	3,551,706
Surface water management	3,835,707	3,283,273	-	-	3,835,707	3,283,273
Transportation	3,177,259	3,198,612	-	-	3,177,259	3,198,612
Culture and recreation	10,456,158	11,425,868	-	-	10,456,158	11,425,868
Interest on debt	882,802	936,748	-	-	882,802	936,748
Water and wastewater	-	-	17,501,971	16,962,649	17,501,971	16,962,649
Solid waste	-	-	8,031,396	2,809,289	8,031,396	2,809,289
Total expenses	38,909,880	36,434,862	25,533,367	19,771,938	64,443,247	56,206,800
Increase (decrease) in net assets	14,247,599	14,226,462	(3,557,469)	1,205,641	10,690,130	15,432,103
Beginning net assets	181,693,078	167,466,616	144,751,559	143,545,918	326,444,637	311,012,534
Ending net assets	\$ 195,940,677	\$ 181,693,078	\$ 141,194,090	\$ 144,751,559	\$ 337,134,767	\$ 326,444,637

Governmental Activities

Village of Wellington
Revenues by Source
Governmental Activities



Governmental activities increased the Village of Wellington's net assets by \$14,247,599.

Revenues increased by \$2,496,155 or 4.9%. Key elements of this increase are as follows:

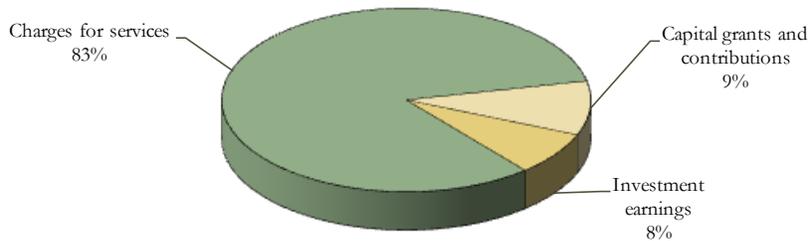
- ❖ Capital grants increased by \$3,754,596 from the prior year. This is mainly the result of the Section 24 impoundment grant from South Florida Water Management. This grant accounted for an additional \$3.3 million in grant revenue for 2009.
- ❖ Total taxes decreased by \$1,265,755 or 4.1% during the year mostly due to the decrease in property taxes resulting from the decline in property values experienced throughout Wellington.
- ❖ Operating grants and contributions increased by \$639,370 or 31.1%. This results from Federal grants received in 2009 to reimburse for culture and recreation damages related to past storm events of \$1.2 million. This was offset by a decrease in grants from a one-time Palm Beach County School District agreement in the amount of \$556,294 that was received in 2008.
- ❖ Charges for services decreased by \$1,087,035 or 10.5%. Planning and development fees, engineering and public works inspections, and impact fees decreased \$699,829 due to the dramatic slowdown in building activity during 2009 experienced in Wellington and state-wide. Due to the overall health of the local economy, culture and recreation participation was significantly reduced, thus resulting in decreased collections of \$384,489.
- ❖ Investment earnings increased by \$490,363 or 16.8% compared to the prior year due to Wellington having locked in longer term, higher yield investments.

Expenses increased by \$2,475,018 or 6.8%. Key elements of this increase are as follows:

- ❖ Engineering and public works expenses increased \$2,911,029 or 82.0%, which is attributable to moving various culture and recreation expenses to the public works department and a reallocation of indirect costs.
- ❖ Culture and recreation costs decreased \$969,710, or 8.5% due to these department shifts.
- ❖ Public safety increased \$125,333 due to contractual increases with Palm Beach County Sheriff's Office.
- ❖ In addition, surface water management expenses increased \$552,434 due to depreciation expense on new capital assets that were placed into service in 2009.

Business-type Activities

Village of Wellington Revenues by Source Business-type Activities



Business-type activities decreased the Village of Wellington's net assets by \$3,557,469 accounting for a decrease of 33.3% of the total growth in the net assets of the Village of Wellington.

Revenues increased by \$998,319 or 4.8%. Key elements of this increase are as follows:

- ❖ Capital grants and contributions increased \$1,025,065 or 95.9% compared to the prior year due to a lack of commercial building activity in 2008, thus contributing \$0 from distribution lines, compared to \$1,918,511 received in 2009. Conversely, there was a decrease in meter revenues and capacity charges of \$294,246 due to less residential construction in 2008. Additionally, during 2008, Wellington received one-time grant revenues of \$599,200 to be used for reuse water production.
- ❖ Operating grants and contributions decreased \$1,522,575 or 100% compared to the prior year due to reimbursements from federal and local agencies received in 2008 related to disaster recovery expenditures incurred for hurricane events that took place during 2004 and 2005.
- ❖ Investment earnings decreased \$548,796 or 24.5% compared to the prior year mostly due to the significant use of cash and investments for capital projects during 2009.
- ❖ Charges for services increased \$2,044,625 or 12.7% compared to the prior year due to non ad-valorem assessments for solid waste increased \$715,962 or 26.6% due to a higher assessment rate of \$160 compared to \$129 in 2008. In addition, water/wastewater charges increased \$985,290 or 7.8% due to higher user charges that were enacted for 2009.

Expenses increased by \$5,761,429 or 29.1%. Key elements of this increase are as follows:

- ❖ Additional depreciation of \$818,287 related to new capital assets that were placed into service in 2009.

- ❖ The solid waste fund repaid \$2 million to the general fund for monies borrowed after the 2004 and 2005 hurricanes.
- ❖ The solid waste fund refunded approximately \$2.26 million worth of assessments that were collected in 2006 related to an additional hurricane assessment that was levied after the 2004 hurricane season.

Governmental Funds Financial Analysis

The focus of Wellington's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, Wellington's governmental funds reported combined ending fund balances of \$83,178,063, an increase of \$6,124,445 over the prior year. The majority of the increase is due to intergovernmental revenues of \$2.9 million related to the Section 24 impoundment reimbursements from South Florida Water Management District. In addition, the solid waste fund repaid \$2 million to the general fund for monies borrowed after recent hurricanes.

The unreserved and undesignated fund balance of \$20,717,072 is available for spending at the Village's discretion, including uses earmarked by the Village that do not meet the criteria for a designation. The remainder of fund balance (\$62,460,991) is reserved or designated to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period (\$9,812,374), for capital improvements (\$36,198,346), to pay debt service (\$75,126), for future disaster recovery (\$3,000,000), for funding future expenditures (\$5,540,000) and stabilizing millage or rate increases (\$2,366,078), or other specified purposes (\$5,469,067).

The general fund is the main operating fund of the Village of Wellington. At the end of the current fiscal year, unreserved and undesignated fund balance of the general fund was \$12,671,573, while the total fund balance was \$24,224,276. As a measure of the general fund's liquidity, it is useful to compare unreserved fund balance to total general fund expenditures. Unreserved and undesignated fund balance represents approximately 37% of total 2009/2010 general fund budgeted expenditures. Total revenues in the general fund were \$32,509,795 which represents a decrease of approximately \$2.1 million from the prior year. This is mostly due to a decrease in ad valorem taxes of \$1.4 million and from decreased intergovernmental revenues of \$276,000.

The planning, zoning and building fund is used to account for operations of the planning and building functions of the Village. At the end of the current fiscal year, \$3,329,608 was reserved for future building department expenditures. Building permit fees may only be used for building and inspection services expenditures. Revenues for the fund were \$3,364,700 and \$3,694,070 for fiscal years 2009 and 2008, respectively. This represents a decrease of \$329,370, or 8.9% from 2008. During the year, building permit activity decreased by \$132,098 due to decreased activity in the housing market due to the economic downturn that was experienced throughout Palm Beach County, Florida, and most of the country. The Village anticipates continued decreases in new development after 2009. Investment income also decreased \$126,081 from the prior year.

The recreation programs fund is used to account for operations relating to recreation facilities. At the end of the current fiscal year, unreserved and undesignated fund balance of the recreation programs fund was \$4,833,785, while the total fund balance was \$5,346,458. Unreserved and undesignated fund balance represents over 100% of total 2009/2010 recreation program fund budgeted expenditures. Revenues were \$2,819,194 and \$2,081,764 for fiscal years 2009 and 2008, respectively. This represents an increase of \$737,430, or 35.4% over 2008 mostly due to reimbursements from federal and local agencies related to disaster recovery expenditures incurred for hurricane events that took place during 2004 and 2005 received in the prior year.

The capital projects fund is used to segregate all financial activity applicable to governmental capital expenditures from governmental operating expenditures. At the end of the current fiscal year, \$19,810,622 was reserved for either year-end encumbrances or future capital expenditures, mainly related to the ongoing Section 24 Impoundment project.

Proprietary Funds

The Village of Wellington's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets for business-type funds was \$20,062,300; \$15,845,758 for the Utility System and \$4,216,542 for Solid Waste. Total net assets for these funds were \$141,194,090, representing a decrease of \$3,557,469, or 2.5%. In the Solid Waste fund, the decrease was mainly due to the reimbursement of costs of \$2 million to the general fund. Also in the Solid Waste Fund, a \$2.26 million refund of a 2006 hurricane assessment was refunded to Wellington's taxpayers.

General Fund Budgetary Highlights

Differences between the original expenditure budget and the final expenditure amended budget totaled an increase of \$459,463, excluding transfers, and are primarily comprised of purchase orders carried forward from prior years (increases) and capital projects delayed and carried forward to next year (decreases). Additionally, some budget amendments were done during the year as interdepartmental transfers to realign funding to personnel changes. These can be briefly summarized as follows:

- ❖ \$81,971 increase allocated to general government
- ❖ \$295,941 increase allocated to physical environment
- ❖ \$81,551 increase allocated to capital outlay

Actual results of operations were greater than the final amended budget by \$2,552,098, excluding transfers. These results can be attributed to the following:

- ❖ Revenues exceeded budget due to investment earnings outperforming budget and public service taxes due to a one-time adjustment made by the State of Florida.
- ❖ Personnel costs were less than budget due to overtime freezes, attrition, and early retirees.
- ❖ Capital outlay was less than budgeted by \$111,078 due to capital projects that were delayed or cut in response to tax reform and the downturn in the economy.

The budget amendments were funded in part with \$106,718 of prior year carry forwards. Additional information on the Village's budgetary comparisons can be found on pages 52-56 of this report.

Long-Term Debt Activity

At the end of the current fiscal year, the Village of Wellington had total long-term debt outstanding of \$31,163,262. Governmental activities debt of \$19,067,871 is for revenue bonds and loans issued to finance capital improvements for roadways, parks and recreation, public building and infrastructure. Business-type activities debt of \$10,885,765 is for Utility System revenue bonds which financed projects to increase the capacity of the Utility System. An additional \$1,209,626 for compensated absences is also outstanding. Additional information on the Village's long-term debt can be found in Note 6 of this report.

Village of Wellington's Outstanding Debt						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Revenue bonds	\$19,067,871	\$20,327,264	\$10,885,765	\$13,030,956	\$29,953,636	\$33,358,220
Compensated absences	997,627	993,927	211,999	181,208	1,209,626	1,175,135
Total	\$20,065,498	\$21,321,191	\$11,097,764	\$13,212,164	\$31,163,262	\$34,533,355

Capital Assets Activity

The Village of Wellington's investment in capital assets for its governmental and business-type activities as of September 30, 2009, amounts to \$242,634,803 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress.

The Village has elected to use the modified approach for its street system in lieu of the depreciation method. An up-to-date inventory of these infrastructure assets was performed and the annual costs to maintain and preserve these assets was established and disclosed through administrative policy. The current condition level of the street system meets the target condition level established by the Village. There were no significant changes in the condition levels of infrastructure assets, and the differences between the estimated amounts necessary to maintain and preserve the street system at target condition levels and the actual amount of expense incurred for that purpose for 2009 was not material. Additional information on the condition level of the street system can be found on page 57 of this report.

Village of Wellington's Capital Assets (net of accumulated depreciation)						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Land	\$ 19,063,169	\$ 19,063,169	\$ 8,996,705	\$ 8,996,705	\$ 28,059,874	\$ 28,059,874
Buildings	10,158,183	10,590,583	2,611,691	2,717,891	12,769,874	13,308,474
Improvements	30,517,134	22,680,226	2,140,393	2,437,294	32,657,527	25,117,520
Machinery and equipment	2,027,788	5,793,624	1,171,021	1,357,038	3,198,809	7,150,662
Water and wastewater plant	-	-	31,493,380	12,038,057	31,493,380	12,038,057
Meters	-	-	4,042,040	2,277,028	4,042,040	2,277,028
Wells	-	-	5,146,934	1,295,130	5,146,934	1,295,130
Distribution lines	-	-	49,348,997	45,007,764	49,348,997	45,007,764
Infrastructure	56,247,533	55,212,891	-	-	56,247,533	55,212,891
Construction in progress	14,336,928	12,097,648	5,332,907	32,700,603	19,669,835	44,798,251
Total	\$ 132,350,735	\$ 125,438,141	\$ 110,284,068	\$ 108,827,510	\$ 242,634,803	\$ 234,265,651

Major capital projects completed during the current fiscal year included the following:

- ❖ Restoration of 10-acre site
- ❖ Pump Station Trash Racks
- ❖ Water Control Structures
- ❖ Minto Track Lighting
- ❖ Flying Cow Road, Phase I
- ❖ Forest Hill Blvd. Signal at Quercus
- ❖ FPL Corridor – Landscape Big Blue Trace
- ❖ 5.4 MGD Reverse Osmosis Plant Expansion
- ❖ Wireless Water Meter Replacement/Upgrade

Additional information on the Village's capital assets can be found in Note 5 of this report.

Economic Factors

The State of Florida, by constitution, does not have a personal income tax and therefore the State operates primarily using sales, gasoline and corporate income taxes. Local governments primarily rely on property taxes and fees to fund their governmental activities. There are a limited number of state-shared revenues and recurring and non-recurring grants. As a predominantly residential community, the economic environment of the Village is dependent upon that of South Florida and particularly Palm Beach County.

The major economic influences in this area are the cost of housing (including housing values, foreclosure

rates, insurance, taxes and interest rates), the regional job market, new construction, weather events and retail activity. Consideration of the impact of these economic indicators is critical as the Village endeavors to develop its resources and facilities to meet the demand of its residents as well as to comply with regulatory requirements.

Additional economic factors that can have a significant impact on Wellington include inflation, weak economic growth, natural disasters, commodities prices, increasing property insurance rates, and the potential for declining population.

While property taxes are important to the Village, they represent 21% of total Village revenue. Another 36% comes from program revenues such as licenses, permits, and other charges for services, while approximately 14% is related to intergovernmental revenue. Additionally, special assessments levied total approximately 7% and utility taxes and franchise fees total another 14%. The Village monitors all of its resources and determines the need for program adjustments or fee increases accordingly.

Next Year's Budget and Rates

The operating millage rate of 2.50 mills for fiscal year 2009/2010 represents a 6.8% increase compared to the millage rate for the 2008/2009 fiscal year. This millage resulted in a total tax levy of approximately \$14.4 million, a reduction of \$2.5 million, or 14.8% from the property tax levy for 2009. The decrease in levy is due to falling property values experienced throughout the entire local economy. The Surface Water Management Assessment rate increased to \$175 per unit in the fiscal year 2009/2010, a 19.8% increase compared to the prior fiscal year. The Solid Waste Assessment was decreased for fiscal year 2009/2010 to \$160 per curbside unit (\$162 per unit in fiscal year 2008/2009) and \$125 per containerized unit (\$126 per unit in fiscal year 2008/2009). The decrease was due to negative CPI experienced during 2009. Additional information regarding the adoption of the annual budget can be found on page 56 of this report.

This financial report is designed to provide a general overview of the Village of Wellington's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to:

Office of Financial Management and Budget
14000 Greenbriar Boulevard
Wellington, FL 33414
561-791-4000
www.wellingtonfl.gov

BASIC FINANCIAL STATEMENTS

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 26,374,592	\$ 12,389,384	\$ 38,763,976
Investments	57,794,109	28,671,716	86,465,825
Receivables (net)	1,256,308	1,768,127	3,024,435
Internal balances	419,103	(419,103)	-
Due from other governments	4,411,032	1,191,937	5,602,969
Prepaid expenses	307,142	11,435	318,577
Inventories	9,489	209,894	219,383
Deposits	57,230	-	57,230
Net other postemployment benefit asset	514,482	91,487	605,969
Deferred charges	186,785	174,468	361,253
Capital assets:			
Capital assets not being depreciated	89,647,630	14,329,612	103,977,242
Capital assets being depreciated, net	42,703,105	95,954,456	138,657,561
Total assets	\$ 223,681,007	\$ 154,373,413	\$ 378,054,420
LIABILITIES			
Accounts payable and accrued liabilities	\$ 4,793,835	\$ 849,869	\$ 5,643,704
Contracts and retainage payable	610,923	32,932	643,855
Due to other governments	122,761	10,621	133,382
Deposits	-	959,387	959,387
Unearned revenue	1,923,423	-	1,923,423
Accrued interest	223,890	228,750	452,640
Noncurrent liabilities:			
Due within one year	1,773,932	2,430,400	4,204,332
Due in more than one year	18,291,566	8,667,364	26,958,930
Total liabilities	27,740,330	13,179,323	40,919,653
NET ASSETS			
Invested in capital assets, net of related debt	113,282,864	99,398,303	212,681,167
Restricted for:			
Debt service	75,126	-	75,126
Building department	3,329,608	-	3,329,608
Road maintenance	1,029,292	-	1,029,292
Capital projects	45,891,224	21,642,000	67,533,224
Other postemployment benefits	514,482	91,487	605,969
Unrestricted	31,818,081	20,062,300	51,880,381
Total net assets	\$ 195,940,677	\$ 141,194,090	\$ 337,134,767

See notes to basic financial statements

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2009

Function/Program Activities	Expenses	Indirect Expense Allocation	Charges for Services	Program Revenues	
				Operating Grants and Contributions	Capital Grants and Contributions
Primary Government					
Governmental activities:					
General government	\$ 9,203,136	\$ (7,371,396)	\$ -	\$ -	\$ 321,293
Public safety	6,986,980	229,075	391,333	19,708	-
Planning and development	3,505,764	1,541,660	3,090,636	-	-
Engineering and public works	7,901,374	(1,438,639)	82,541	-	-
Surface water management	3,023,475	812,232	3,831,805	-	6,023,491
Transportation	2,629,113	548,146	102,042	1,480,722	-
Culture and recreation	8,421,140	2,035,018	1,732,729	1,196,098	-
Interest on long-term debt	<u>882,802</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>42,553,784</u>	<u>(3,643,904)</u>	<u>9,231,086</u>	<u>2,696,528</u>	<u>6,344,784</u>
Business-type activities:					
Utility system	16,051,971	1,450,000	14,502,578	-	2,093,940
Solid waste	<u>5,837,492</u>	<u>2,193,904</u>	<u>3,690,053</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>21,889,463</u>	<u>3,643,904</u>	<u>18,192,631</u>	<u>-</u>	<u>2,093,940</u>
Total primary government	<u>\$ 64,443,247</u>	<u>\$ -</u>	<u>\$ 27,423,717</u>	<u>\$ 2,696,528</u>	<u>\$ 8,438,724</u>

General revenues:

Taxes:

Property taxes

Franchise fees

Utility taxes

Sales tax

Grants and contributions not restricted
to specific programs

Investment earnings

Other

Total general revenues

Change in net assets

Net assets, beginning of year

Net assets, end of year

See notes to basic financial statements

Net (Expense) Revenue and
Changes in Net Assets

Primary Government

Governmental Activities	Business-type Activities	Total
\$ (1,510,447)	\$ -	\$ (1,510,447)
(6,805,014)	-	(6,805,014)
(1,956,788)	-	(1,956,788)
(6,380,194)	-	(6,380,194)
6,019,589	-	6,019,589
(1,594,495)	-	(1,594,495)
(7,527,331)	-	(7,527,331)
(882,802)	-	(882,802)
<u>(20,637,482)</u>	<u>-</u>	<u>(20,637,482)</u>
-	(905,453)	(905,453)
<u>-</u>	<u>(4,341,343)</u>	<u>(4,341,343)</u>
<u>-</u>	<u>(5,246,796)</u>	<u>(5,246,796)</u>
<u>(20,637,482)</u>	<u>(5,246,796)</u>	<u>(25,884,278)</u>
16,049,186	-	16,049,186
3,594,701	-	3,594,701
6,634,632	-	6,634,632
3,382,611	-	3,382,611
1,288,129	-	1,288,129
3,401,293	1,689,327	5,090,620
534,529	-	534,529
<u>34,885,081</u>	<u>1,689,327</u>	<u>36,574,408</u>
14,247,599	(3,557,469)	10,690,130
<u>181,693,078</u>	<u>144,751,559</u>	<u>326,444,637</u>
<u>\$ 195,940,677</u>	<u>\$ 141,194,090</u>	<u>\$ 337,134,767</u>

See notes to basic financial statements

VILLAGE OF WELLINGTON, FLORIDA

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2009

	General	Planning, Zoning and Building	Recreation Programs	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 7,077,768	\$ 1,875,027	\$ 1,560,727	\$ 6,088,108	\$ 9,772,962	\$ 26,374,592
Investments	16,378,234	4,337,185	3,610,069	14,090,111	19,378,510	57,794,109
Receivables:						
Utility taxes	352,489	-	-	-	-	352,489
Franchise fees	365,499	-	-	-	-	365,499
Accounts	116,626	49,292	-	-	-	165,918
Interest	118,726	26,581	15,512	87,781	123,802	372,402
Due from other funds	125,567	-	-	200,000	-	325,567
Advances to other funds	293,536	-	-	-	-	293,536
Due from other governments	1,116,293	149	455,708	2,472,390	366,492	4,411,032
Prepaid expenditures	295,229	2,500	-	-	9,413	307,142
Inventory	9,489	-	-	-	-	9,489
Deposits	57,230	-	-	-	-	57,230
Total assets	\$ 26,306,686	\$ 6,290,734	\$ 5,642,016	\$ 22,938,390	\$ 29,651,179	\$ 90,829,005

See notes to basic financial statements

VILLAGE OF WELLINGTON, FLORIDA

BALANCE SHEET (Continued)

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2009

	General	Planning, Zoning and Building	Recreation Programs	Capital Projects	Other Governmental Funds	Total Governmental Funds
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 1,026,467	\$ 196,293	\$ 239,298	\$ 2,569,894	\$ 761,883	\$ 4,793,835
Contracts and retainage payable	-	-	-	557,874	53,049	610,923
Due to other funds	-	-	-	-	200,000	200,000
Due to other governments	-	118,041	260	-	4,460	122,761
Unearned revenue	1,055,943	811,480	56,000	-	-	1,923,423
Total liabilities	2,082,410	1,125,814	295,558	3,127,768	1,019,392	7,650,942
Fund balances:						
Reserved for:						
Encumbrances	48,371	34,732	12,673	8,572,325	1,144,273	9,812,374
Advances	293,536	-	-	-	-	293,536
Capital improvements	-	-	-	11,238,297	24,960,049	36,198,346
Prepaid expenditures	295,229	2,500	-	-	9,413	307,142
Inventory	9,489	-	-	-	-	9,489
Building department	-	3,329,608	-	-	-	3,329,608
Debt service	-	-	-	-	75,126	75,126
Unreserved, designated for, reported in:						
General fund:						
Rate stabilization	2,366,078	-	-	-	-	2,366,078
Insurance	540,000	-	-	-	-	540,000
Disaster recovery	3,000,000	-	-	-	-	3,000,000
Subsequent year expenditures	5,000,000	-	-	-	-	5,000,000
Special revenue funds:						
Road maintenance	-	-	-	-	1,029,292	1,029,292
Subsequent year expenditures	-	-	500,000	-	-	500,000
Unreserved, undesignated, reported in:						
General fund	12,671,573	-	-	-	-	12,671,573
Special revenue funds	-	1,798,080	4,833,785	-	1,413,634	8,045,499
Total fund balances	24,224,276	5,164,920	5,346,458	19,810,622	28,631,787	83,178,063
Total liabilities and fund balances	\$ 26,306,686	\$ 6,290,734	\$ 5,642,016	\$22,938,390	\$ 29,651,179	\$ 90,829,005

See notes to basic financial statements



VILLAGE OF WELLINGTON, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS SEPTEMBER 30, 2009

Total governmental fund balances \$ 83,178,063

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. 132,350,735

Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Deferred charges 186,785

Net other postemployment benefit (OPEB) asset created through funding of the plan as employer contribution to the defined benefit OPEB plan is not recognized in the funds. 514,482

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable (19,067,871)
Accrued interest (223,890)
Compensated absences (997,627)

Net assets of governmental activities \$ 195,940,677

VILLAGE OF WELLINGTON, FLORIDA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED SEPTEMBER 30, 2009

	<u>General</u>	<u>Planning, Zoning and Building</u>	<u>Recreation Programs</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Ad valorem taxes	\$ 16,049,186	\$ -	\$ -	\$ -	\$ -	\$ 16,049,186
Franchise fees	3,594,701	-	-	-	-	3,594,701
Utility taxes	6,634,632	-	-	-	-	6,634,632
Special assessments	-	-	-	-	3,549,190	3,549,190
Impact fees	-	-	-	-	356,648	356,648
Licenses and permits	285,087	2,678,182	-	-	-	2,963,269
Intergovernmental revenue	4,415,603	-	1,196,098	5,814,682	2,081,293	13,507,676
Charges for services	16,728	-	1,467,408	-	282,615	1,766,751
Fines and forfeitures	131,134	409,833	-	-	-	540,967
Investment income	1,118,132	235,597	137,486	778,048	1,132,030	3,401,293
Miscellaneous	264,592	41,088	18,202	204,375	264,909	793,166
Total revenues	<u>32,509,795</u>	<u>3,364,700</u>	<u>2,819,194</u>	<u>6,797,105</u>	<u>7,666,685</u>	<u>53,157,479</u>

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)

GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2009

	General	Planning, Zoning and Building	Recreation Programs	Capital Projects	Other Governmental Funds	Total Governmental Funds
Expenditures:						
Current:						
General government	\$ 8,776,393	\$ -	\$ -	\$ -	\$ -	\$ 8,776,393
Public safety	6,986,980	-	-	-	-	6,986,980
Physical environment	6,414,702	3,418,953	-	-	1,609,459	11,443,114
Transportation	-	-	-	-	1,526,599	1,526,599
Culture and recreation	-	-	5,816,607	-	200,000	6,016,607
Capital outlay	142,176	242,452	42,210	7,882,917	5,463,957	13,773,712
Debt service:						
Principal	-	-	-	-	1,270,000	1,270,000
Interest and other fiscal charges	-	-	-	-	883,533	883,533
Total expenditures	<u>22,320,251</u>	<u>3,661,405</u>	<u>5,858,817</u>	<u>7,882,917</u>	<u>10,953,548</u>	<u>50,676,938</u>
 Excess (deficiency) of revenues over expenditures	 <u>10,189,544</u>	 <u>(296,705)</u>	 <u>(3,039,623)</u>	 <u>(1,085,812)</u>	 <u>(3,286,863)</u>	 <u>2,480,541</u>
 Other financing sources (uses):						
Transfers in	8,580,960	1,631,195	8,503,482	1,519,875	9,215,778	29,451,290
Transfers out	(17,181,609)	(1,541,660)	(3,251,634)	(61,400)	(3,771,083)	(25,807,386)
Total other financing sources (uses)	<u>(8,600,649)</u>	<u>89,535</u>	<u>5,251,848</u>	<u>1,458,475</u>	<u>5,444,695</u>	<u>3,643,904</u>
 Net change in fund balances	 1,588,895	 (207,170)	 2,212,225	 372,663	 2,157,832	 6,124,445
 Fund balances, beginning of year	 <u>22,635,381</u>	 <u>5,372,090</u>	 <u>3,134,233</u>	 <u>19,437,959</u>	 <u>26,473,955</u>	 <u>77,053,618</u>
 Fund balances, end of year	 <u>\$ 24,224,276</u>	 <u>\$ 5,164,920</u>	 <u>\$ 5,346,458</u>	 <u>\$ 19,810,622</u>	 <u>\$ 28,631,787</u>	 <u>\$ 83,178,063</u>

VILLAGE OF WELLINGTON, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED SEPTEMBER 30, 2009

Net change in fund balances - total governmental funds	\$	6,124,445
Amounts reported for governmental activities in the statement of activities are different because:		
The Village's annual OPEB cost is not reported in the governmental funds.		(40,815)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense:		
Expenditures for capital assets	\$ 13,251,052	
Less current year depreciation	<u>(6,276,841)</u>	6,974,211
In the statement of activities, only the gain (loss) on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the disposal increase financial resources:		
Proceeds from sale of capital assets	\$ -	
Loss on sale of capital assets	<u>(61,617)</u>	(61,617)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:		
Principal payments on debt		1,270,000
Governmental funds report the effect of debt issuance costs, premiums, discounts, and similar items when debt is first issued. However, these costs are capitalized and amortized in the government-wide financial statements:		
Amortization of refunding loss	\$ (41,838)	
Amortization of issuance costs	(15,656)	
Amortization of premium	<u>31,231</u>	(26,263)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in accrued interest		11,338
Change in compensated absences		<u>(3,700)</u>
Change in net assets of governmental activities	\$	<u><u>14,247,599</u></u>



VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF FUND NET ASSETS

PROPRIETARY FUNDS

SEPTEMBER 30, 2009

	Utility System	Solid Waste	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 11,286,807	\$ 1,102,577	\$ 12,389,384
Investments	26,119,949	2,551,767	28,671,716
Receivables:			
Accounts, net of allowance for uncollectible amounts	1,526,704	51,335	1,578,039
Interest	163,472	26,616	190,088
Due from other governments	-	1,191,937	1,191,937
Inventories	209,894	-	209,894
Prepaid expenses	11,435	-	11,435
Total current assets	39,318,261	4,924,232	44,242,493
Noncurrent assets:			
Deferred charges	174,468	-	174,468
Net other postemployment benefit asset	85,887	5,600	91,487
Property, plant and equipment (net of allowance for accumulated depreciation)	110,274,489	9,579	110,284,068
Total noncurrent assets	110,534,844	15,179	110,550,023
Total assets	\$ 149,853,105	\$ 4,939,411	\$ 154,792,516
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 566,710	\$ 283,159	\$ 849,869
Contracts and retainage payable	32,932	-	32,932
Due to other funds	-	125,567	125,567
Due to other governments	8,533	2,088	10,621
Deposits	959,387	-	959,387
Accrued interest	228,750	-	228,750
Compensated absences payable - current portion	93,897	1,503	95,400
Revenue refunding bonds payable - current portion	2,335,000	-	2,335,000
Total current liabilities	4,225,209	412,317	4,637,526
Noncurrent liabilities:			
Advances from other funds	-	293,536	293,536
Compensated absences payable - net of current portion	114,762	1,837	116,599
Revenue refunding bonds payable - net of current portion	8,550,765	-	8,550,765
Total noncurrent liabilities	8,665,527	295,373	8,960,900
Total liabilities	12,890,736	707,690	13,598,426
NET ASSETS			
Invested in capital assets, net of related debt	99,388,724	9,579	99,398,303
Restricted for capital improvements	21,642,000	-	21,642,000
Restricted for other postemployment benefits	85,887	5,600	91,487
Unrestricted	15,845,758	4,216,542	20,062,300
Total net assets	\$ 136,962,369	\$ 4,231,721	\$ 141,194,090

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

YEAR ENDED SEPTEMBER 30, 2009

	Utility System	Solid Waste	Total
Operating revenues:			
Charges for services	\$ 13,645,985	\$ -	\$ 13,645,985
Special assessments	-	3,408,788	3,408,788
Franchise fees	-	214,445	214,445
Other	856,593	66,820	923,413
Total operating revenues	14,502,578	3,690,053	18,192,631
Operating expenses:			
Water services	3,886,409	-	3,886,409
Wastewater services	2,255,728	-	2,255,728
Laboratory	103,360	-	103,360
Water distribution	621,661	-	621,661
Customer service	709,179	-	709,179
General and administrative	686,186	-	686,186
Solid waste	-	5,819,447	5,819,447
Depreciation	4,849,894	18,045	4,867,939
Total operating expenses	13,112,417	5,837,492	18,949,909
Income (loss) from operations	1,390,161	(2,147,439)	(757,278)
Nonoperating revenues (expenses):			
Investment income	1,448,929	240,398	1,689,327
Loss on sale of assets	(2,303,629)	-	(2,303,629)
Interest expense	(457,499)	-	(457,499)
Amortization	(178,426)	-	(178,426)
Total nonoperating revenues (expenses)	(1,490,625)	240,398	(1,250,227)
Loss before contributions and transfers	(100,464)	(1,907,041)	(2,007,505)
Capital contributions:			
Capacity charges	162,483	-	162,483
Distribution lines	1,918,511	-	1,918,511
Meters	12,946	-	12,946
Transfers out	(1,450,000)	(2,193,904)	(3,643,904)
Change in net assets	543,476	(4,100,945)	(3,557,469)
Net assets, beginning of year	136,418,893	8,332,666	144,751,559
Net assets, end of year	\$ 136,962,369	\$ 4,231,721	\$ 141,194,090

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

YEAR ENDED SEPTEMBER 30, 2009

	Utility System	Solid Waste	Total
Cash flows from operating activities:			
Receipts from customers	\$ 13,320,795	\$ 3,619,971	\$ 16,940,766
Payments to suppliers for goods and services	(6,909,119)	(3,326,338)	(10,235,457)
Payments to employees for services	(3,858,748)	(146,610)	(4,005,358)
Refunds to customers	-	(2,263,825)	(2,263,825)
Other operating revenues	856,661	411,911	1,268,572
Net cash provided by (used in) operating activities	3,409,589	(1,704,891)	1,704,698
Cash flows from noncapital financing activity:			
Transfers to other funds	(1,450,000)	(2,193,904)	(3,643,904)
Net cash used in noncapital financing activity	(1,450,000)	(2,193,904)	(3,643,904)
Cash flows from capital and related financing activities:			
Capital contributions	774,629	-	774,629
Acquisition of property, plant and equipment	(7,604,670)	-	(7,604,670)
Repayment of advances from other funds	-	(125,567)	(125,567)
Principal paid on indebtedness	(2,280,000)	-	(2,280,000)
Interest paid on indebtedness	(487,424)	-	(487,424)
Net cash used in capital and related financing activities	(9,597,465)	(125,567)	(9,723,032)
Cash flows from investing activities:			
Interest received	1,395,895	230,387	1,626,282
Sale of investments	15,060,128	4,391,652	19,451,780
Purchase of investments	(9,547,273)	(1,212,352)	(10,759,625)
Net cash provided by investing activities	6,908,750	3,409,687	10,318,437
Net decrease in cash and cash equivalents	(729,126)	(614,675)	(1,343,801)
Cash and cash equivalents, beginning of year	12,015,933	1,717,252	13,733,185
Cash and cash equivalents, end of year	\$ 11,286,807	\$ 1,102,577	\$ 12,389,384

(Continued)

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Continued) YEAR ENDED SEPTEMBER 30, 2009

	Utility System	Solid Waste	Total
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 1,390,161	\$ (2,147,439)	\$ (757,278)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	4,849,894	18,045	4,867,939
Allowance for uncollectible accounts	11,400	-	11,400
OPEB expense	8,851	334	9,185
Change in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(312,453)	(3,262)	(315,715)
Due from other governments	-	348,244	348,244
Inventories	145,652	-	145,652
Prepaid expenses	(1,802)	-	(1,802)
Increase (decrease) in:			
Accounts payable and accrued liabilities	(2,688,870)	82,374	(2,606,496)
Due to other governments	68	(3,153)	(3,085)
Deposits	(24,137)	-	(24,137)
Compensated absences payable	30,825	(34)	30,791
Total adjustments	2,019,428	442,548	2,461,976
Net cash provided by (used in) operating activities	\$ 3,409,589	\$ (1,704,891)	\$ 1,704,698
Noncash investing, capital, and financing activities:			
Realized and unrealized gains on investments	\$ 81,107	\$ 13,206	\$ 94,313
Amortization of deferred charges	43,617	-	43,617
Amortization of premium on bonds	27,792	-	27,792
Amortization of advance refunding loss on bonds	162,601	-	162,601
Contribution of distribution lines	1,918,511	-	1,918,511
Receivable for sale of capital asset	54,556	-	54,556

VILLAGE OF WELLINGTON, FLORIDA

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUND

SEPTEMBER 30, 2009

	Employee Retirement Healthcare Trust
	<u>Trust</u>
ASSETS	
Investments	<u>\$ 755,063</u>
NET ASSETS	
Held in trust for other postemployment benefits	<u>\$ 755,063</u>

VILLAGE OF WELLINGTON, FLORIDA
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 YEAR ENDED SEPTEMBER 30, 2009

	Employee Retirement Healthcare <u>Trust</u>
ADDITIONS:	
Increase in the fair value of investments	\$ <u>7,065</u>
Change in net assets	7,065
Net assets held in trust for other postemployment benefits, beginning of year	<u>747,998</u>
Net assets held in trust for other postemployment benefits, end of year	<u><u>\$ 755,063</u></u>

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Village of Wellington (the “Village”) was incorporated December 31, 1995, pursuant to Chapter 95-496, Laws of Florida, and commenced operations on March 28, 1996. The Village operates under the Council-Manager form of government and provides a wide range of community services including general government; planning, zoning and building; public safety (police protection); public works (construction and maintenance of roads, rights of way, and other infrastructure; street lighting; and storm water drainage); culture and recreation (parks maintenance, recreational activities, cultural events, and related facilities); water and sewer utilities; and solid waste collection and recycling. The Village Council (the “Council”) is responsible for legislative and fiscal control of the Village.

As required by U.S. generally accepted accounting principles, these basic financial statements present the government and its component units. Component units are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the Village’s basic financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization’s governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government, regardless of the authority of the organization’s governing board. Blended component units, although legally separate entities, are, in substance, part of the primary government’s operations and are included as part of the primary government.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board (GASB), management has included Acme Improvement District (the “District”) in the Village’s reporting entity. Prior to incorporation, the District was an independent special taxing district created in 1953, which served as the local government providing the majority of community services and facilities for the area including water and sewer, stormwater drainage, transportation, street lighting, and parks and recreation. As a result of incorporation, the Village now provides those municipal services and the District has become a dependent district of the Village. Because of the breadth of the services it already provided to residents, the District formed the backbone of the Village. The District is governed by a five-member board of supervisors that is the same as the governing body of the Village. Although the District is legally separate from the Village, it is reported as if it were part of the primary government as a blended component unit of the Village. The District is presented as a special revenue fund type – Surface Water Management Fund.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board (GASB), management has included Wellington Community Foundation (the “Foundation”), a not-for-profit corporation that supports charitable initiatives throughout Wellington, in the Village’s reporting entity. The Foundation is governed by a five-member board of directors that is the same as the governing body of the Village. The Foundation’s sole purpose is to raise funds for various Wellington projects and provides exclusive benefit to Wellington. Although the Foundation is legally separate from the Village, it is reported as if it were part of the primary government as a blended component unit of the Village. The Foundation is presented as a special revenue fund type – Wellington Community Foundation.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the Village and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses for centralized services and administrative overhead are allocated among the programs, functions, and segments using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, although the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining nonmajor governmental funds are aggregated and reported as nonmajor funds.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items reported in the governmental funds are considered to be measurable and available only when cash is received by the Village.

The Village reports the following major governmental funds:

General Fund – The general fund is the primary operating fund and is used to account for all financial resources applicable to the general operations of the Village, except those required to be accounted for in another fund.

Planning, Zoning and Building – This special revenue fund accounts for revenues and expenditures applicable to the planning, zoning and building divisions of the Village. The purpose of the fund is to segregate various permitting and inspection services pertaining to planning, zoning and building and to ensure that the fee structure for such activities is accurate. Any shortfalls (revenues less than expenditures) are funded by the general fund through operating transfers.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Recreation Programs – This special revenue fund accounts for financial resources and expenditures applicable to specific recreational programs. The purpose of the fund is to implement a wide variety of recreational programs for all ages, as well as various special events, and to provide net operating results. Any shortfalls (program revenues less than program expenditures) are funded by the general fund through operating transfers.

Capital Projects – This fund is used to segregate all financial activity applicable to governmental capital expenditures from governmental operating expenditures. These expenditures are funded by the Village's General Fund, Recreation Fund, and Surface Water Management Fund through operating transfers and grant proceeds.

The Village reports the following major proprietary funds:

Utility System Enterprise Fund – This fund accounts for the activities related to the sewage treatment plant, sewage pumping stations and collection systems, and the water distribution system.

Solid Waste Enterprise Fund – This fund accounts for the activities related to solid waste removal and recycling.

Additionally, the Village reports the following fiduciary fund:

Employee Retirement Healthcare Trust Fund – This fund accounts for the trust fund established to receive and invest Village healthcare contributions in a defined benefit other postemployment benefit plan and to disburse these monies to cover retirees' health insurance in accordance with the trust document. Since these assets are held for the benefit of third parties and cannot be used to finance activities or obligations of the Village, they are not included in the government-wide financial statements.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of GASB. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Village has elected not to follow subsequent private sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function as well as the solid waste function and various other functions of the Village. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's utility system enterprise fund are charges to customers for sales and services. The principal operating revenues of the Village's solid waste collection and recycling enterprise fund are special assessments. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

Deposits and Investments

Cash and investments of each fund, except certain investments in the debt service and enterprise funds, are accounted for in pooled cash and investment accounts with each fund maintaining its proportionate equity in the pooled accounts. The use of a pooled cash and investment account enables the Village to invest idle cash for short periods of time, thereby maximizing earnings potential. Income earned from this pooling of investments is allocated to the respective funds based upon average monthly proportionate balances. Investments are stated at fair value.

The Village considers cash on hand, demand deposits, and all other short-term investments that are highly liquid to be cash equivalents. Highly liquid short-term investments are those readily convertible to a known amount of cash, that at the day of purchase, have a maturity date not longer than three months.

All cash deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act", and are collateralized with eligible securities having a market value equal to a percentage of the average daily or monthly balance of all public deposits. The Village's investment practices are governed by Chapter 218.415 of the Florida Statutes and the requirements of outstanding bond issues.

Receivables

Receivables include amounts due from other governments and others for services provided by the Village. Receivables are recorded and revenues are recognized as earned or as specific program expenditures/expenses are incurred. Allowances for uncollectible receivables are based on historical trends and the periodic aging of receivables.

Inventories and Prepaid Items

Inventories are valued at the lower of cost (first-in, first-out) or market. The Village uses the consumption method wherein all inventories are maintained by perpetual records, expensed when used and adjusted by an annual physical count.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Restricted Assets

Certain debt proceeds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants.

Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial individual cost of \$1,000 or more and an estimated useful life in excess of one year.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized as assets in the government-

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets and Depreciation (Continued)

wide statement of net assets. General capital assets are carried at historical cost. Where cost can not be determined from the available records, estimated historical cost has been used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair value at the date of donation. The road network was valued based on current construction costs discounted by consumer price indices for highway construction.

Capital assets of the enterprise funds are capitalized in the fund in which they are utilized. The valuation basis for enterprise fund capital assets are the same as those used for general capital assets. Additionally, net interest cost is capitalized on enterprise fund projects during the construction period in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 835, *Interest*.

Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. The estimated lives for each major class of depreciable capital assets are as follows:

Distribution lines	40 years
Buildings and utility plants	30 years
Telemetry and wells	20 years
Major equipment	15 years
Land improvements	10 years
Meters	10 years
Furniture, fixtures, equipment and vehicles	5 years
Computers	3 years

The street network is not depreciated. The Village has elected to use the modified approach in accounting for its streets. The modified approach allows governments to report as expenses in lieu of depreciation, infrastructure expenditures which maintain the asset but do not add to or improve the asset. Additions and improvements to the street network are capitalized. The Village uses an asset management system to rate street condition and quantify the results of maintenance efforts.

Compensated Absences

The Village's employees are granted compensated absence pay for annual leave in varying amounts based on length of service. Annual leave is accrued as a liability when benefits are earned by the employees, that is, the employees have rendered services that give rise to the liability and it is probable that the Village will compensate the employees in some manner, e.g., in cash or in paid time-off, now or upon termination or retirement. Benefits for employees include major illness leave. This benefit accrues at 4 hours per month per employee. Employees may utilize this benefit for an illness lasting more than one day. Upon separation of service, and with 10 years of continuous service, any balance of these hours are valued at the current hourly pay rate, and are paid into the Retirement Health Savings Plan sponsored by ICMA. In this plan, monies are used by individuals to pay for qualified medical expenses, including premiums. For individuals that leave prior to 10 years of service, this time is forfeited. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured. For the governmental funds, compensated absences are liquidated by the fund in which employees are compensated. Those funds are the General; Planning, Zoning and Building; Recreation Programs; Surface Water Management; and, Gas Tax Maintenance.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations

In the government-wide financial statements, and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Assets

Equity in the government-wide statement of net assets is displayed in three categories: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Net assets invested in capital assets, net of related debt consist of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by enabling legislation or external restrictions by other governments, creditors, or grantors. Unrestricted net assets consist of all net assets that do not meet the definition of either of the other two components. The government-wide statement of net assets reports \$72,573,219 of restricted net assets, of which \$26,080,602 is restricted by enabling legislation.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Unreserved fund balance amounts that are reported as designations of fund balances represent tentative plans for financial resource utilization in a future period. The following is a description of the reserves and designations used by the Village.

Reserved for encumbrances – represents outstanding purchase orders and open contracts at year end which will be re-appropriated in the new year.

Reserved for advances – represents funds set aside to indicate the long-term nature of certain interfund loans.

Reserved for capital improvements – represents spendable resources restricted for construction projects.

Reserved for prepaid expenditures – established to account for certain payments made in advance. This reserve indicates that funds are not “available spendable resources”.

Reserved for inventory – indicates that a portion of fund balance is segregated since these items do not represent “available spendable resources”.

Reserved for building department – represents spendable resources restricted solely for building department expenditures.

Reserved for debt service – represents spendable resources restricted to the payment of future debt service of general long-term debt.

Designated for subsequent year expenditures – represents funds set aside for future expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

Designated for insurance – represents funds set aside to offset future years’ insurance premium increases.

Designated for disaster recovery – represents funds set aside for future emergency and disaster recovery.

Designated for road maintenance – represents funds set aside for future maintenance of Village owned roads.

Designated for rate stabilization – represents funds set aside to offset future years’ property tax rate increases.

Interfund Transactions

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal, school board, and special district property taxes are consolidated in the offices of the county Property Appraiser and county Tax Collector, respectively. All property is reassessed according to its fair market value on January 1 of each year and each assessment roll is submitted to the State Department of Revenue for review to determine if the assessment roll meets all of the appropriate requirements of State law. The Village Charter permits it to levy property taxes at a rate of up to 5 mills.

The millage rate assessed by the Village for the 2008/2009 year was 2.34 (\$2.34 for each \$1,000 of assessed valuation). This levy was based upon an assessed valuation as of January 1, 2008, of approximately \$7.4 billion.

Taxes may be paid less a 4% discount in November or at declining discounts each month through the month of February. All unpaid taxes become delinquent on April 1st following the year in which they are assessed. Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1st following the tax year, certificates are offered for sale for all delinquent taxes on real property.

After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificate may be made by the certificate holder after a period of two years. Unsold certificates are held by the County. Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations. At September 30, 2009, unpaid delinquent taxes are not material and have not been recorded by the Village.

During 2007 the Florida Legislature passed property tax reform legislation limiting the property tax levies of local government in the State of Florida. For the fiscal year ending September 30, 2009, the maximum tax levy allowed by a majority vote of the governing body is based on a percentage reduction applied to the

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes (Continued)

prior year (2007/2008) property tax revenue. The percentage reduction is calculated based on the compound annual growth rate in the per capita property taxes levied for fiscal years ended September 30, 2002 through 2008. The State law allows local governments to adopt a higher millage rate based on the following approval of the governing body: 1) a majority vote to adopt a rate equal to the prior year rolled-back millage rate, plus an adjustment for growth in per capita Florida personal income; 2) a two-thirds vote to adopt a rate equal to the prior year adjusted millage rate plus 10%; or 3) any millage rate approved by unanimous vote or referendum. Future property tax growth is limited to the annual growth rate of per capita personal income, which is currently 0% to 1%, plus the value of new construction.

On January 29, 2008, Florida voters approved a constitutional amendment that changed the way in which property is assessed for ad valorem taxes. This further limits or reduces the Village's property tax revenue for the fiscal year beginning October 1, 2008.

Recent Accounting Pronouncements

The GASB has issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which establishes accounting and financial reporting requirements for intangible assets including easements, contractual rights, and computer software. The requirements of this statement will be effective for the Village for the fiscal year ending September 30, 2010. Management has not completed its analysis of the effects of this statement, if any, on the financial statements of the Village.

The GASB has issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which establishes accounting and financial reporting requirements for derivative instruments entered into by state and local governments. The requirements of this statement will be effective for the Village for the fiscal year ending September 30, 2010. Management has not completed its analysis of the effects of this statement, if any, on the financial statements of the Village.

The GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes accounting and financial reporting requirements for all governmental funds and establishes criteria for classifying fund balances. The requirements of this statement will be effective for the Village for the fiscal year ending September 30, 2011. Management has not completed its analysis of the effects of this statement, if any, on the financial statements of the Village.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from estimates.

NOTE 2. DEPOSITS AND INVESTMENTS

The Village is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, repurchase agreements, certificates of deposit, Florida PRIME, formerly known as the Local Government Investment Pool (LGIP), any intergovernmental investment pools authorized pursuant to Chapter 163 of the Florida Statutes, SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency and money market and mutual funds that restrict its investments to obligations of the U.S. government.

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

The Village's cash and cash equivalents include cash on hand, time and demand deposits, cash held with a fiscal agent and money market mutual funds. The Village maintains a cash and investment pool that is available for use by all funds. Interest earned on pooled cash and investments is allocated to each of the funds based on the fund's average equity balance. Cash and cash equivalents at September 30, 2009, include petty cash of \$3,675, deposits with financial institutions with a carrying value of \$19,762,213 and a bank balance of \$21,629,205, cash held with a fiscal agent of \$1,199,822 and U.S. Government money market mutual funds with a carrying value of \$17,798,266.

All of the Village's bank deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act". Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral of the depository to be held subject to his or her order. The Treasurer, by rule, shall establish minimum required collateral pledging levels. The pledging level may range from 25% to 125% of the average monthly balance of public deposits depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. The money market mutual fund deposits are uninsured and uncollateralized.

The State Board of Administration administers Florida PRIME pursuant to Ch. 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of Florida PRIME. Additionally, the State of Florida Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration. The fair value of the position in the external investment pool is the same as the value of the pool shares. Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund. These investments are valued using the pooled share price.

On November 29, 2007, the Board of Trustees of the State Board of Administration (SBA) closed the LGIP to all redemptions by participants in response to substantial withdrawals from the Pool over the two preceding weeks that severely reduced the overall liquidity of the LGIP. On December 4, 2007, the Board of Trustees approved a restructuring plan for the LGIP.

The restructuring divided the LGIP into two separate pools, Florida PRIME and Fund B representing approximately 86% and 14%, respectively, of the original LGIP assets. Florida PRIME was designated as the ongoing fund consisting of only short-term, money market assets of the highest quality. On December 6, 2007, Florida PRIME re-opened to accept new deposits from participants and allow restricted withdrawals. Fund B retained all securities from the original LGIP that had defaulted, were in default or had extended payment terms or potentially elevated credit risk. Fund B is closed to deposits and withdrawals and is generally expected to hold all assets to their ultimate maturity and to distribute funds to participants as they become available. The Fund B investment is recorded at fair value based on the net asset value of the Fund B assets reported by the SBA. At September 30, 2009, the Fund B investments had a net asset value of \$359,477, approximating 55% of amortized cost.

The ultimate realizable value and the date when Fund B investments will be available to the Village cannot be determined at this time, however, it is the opinion of management, based upon consultation with the SBA, that the amount of loss, if any, and the limited availability of the funds will not adversely affect the services provided by the Village. Additional information on the current status of Fund B may be obtained from the State Board of Administration.

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

The Florida Municipal Investment Trust was created under the laws of the State of Florida to provide eligible units of local governments with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust.

The Village's cash and investments are subject to several types of risk, which are examined in more detail below:

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Village's investment policy matches its investments with anticipated cash flow requirements. Unless matched to a specific cash flow requirement or otherwise approved by the Village Council, the Village will not directly invest in securities maturing in more than 5 years. Florida PRIME has a weighted average maturity of 33 days, Fund B has a weighted average maturity of 6.69 years, and the investment in the Florida Municipal Investment Trust has a weighted average maturity of 1.58 years (1-3 Year High Quality Bond Fund) and 2.81 years (Intermediate High Quality Bond Fund), respectively. As of September 30, 2009, the Village had the following additional investments in its internal investment pool:

Investment Type	Fair Value	Investment Maturities In Years	
		Less Than 1	1-5
Corporate Note	\$ 2,020,140	\$ 2,020,140	\$ -
U.S. Treasuries	6,614,240	2,936,211	3,678,029
U.S. Agencies securities	60,199,710	38,147,056	22,052,654
Total	<u>\$ 68,834,090</u>	<u>\$ 43,103,407</u>	<u>\$ 25,730,683</u>

Credit Risk

The Village's policy is to limit investments to the safest types of securities, pre-qualify financial institutions, broker/dealers, intermediaries, and advisors with which the Village will do business, and diversify the investment portfolio to minimize potential losses on individual securities. As of the year end, the credit quality ratings of debt securities and external investment pools (other than U.S. government) were as follows:

Investment	Fair Value	Rating	Rating Organization
State Board of Administration (Fund B)	\$ 359,477	Not rated	N/A
Corporate Note	2,020,140	A	S&P
U.S. government agencies and instrumentalities:			
Fannie Mae	17,496,629	AAA	S&P
Fannie Mae	2,869,829	A-1+	S&P
Freddie Mac	10,440,558	AAA	S&P
Federal Home Loan Bank	23,637,147	AAA	S&P
Federal Farm Credit Bank	5,755,547	AAA	S&P
Florida Municipal Investment Trust	17,272,258	AAA	Fitch

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk

Custodial credit risk is defined as the risk that the Village may not recover the securities held by another party in the event of a financial failure. The Village’s investment policy for custodial credit risk requires all investment securities to be held in the Village’s name by a third party safekeeping institution. The investments in money market mutual funds, the Local Government Investment Pool Fund B and the Florida Municipal Investment Trust are considered *unclassified* pursuant to the custodial credit risk categories of GASB Statement No. 3. All deposits with financial institutions and investments in U.S. Government and Instrumentality securities are considered fully insured or collateralized pursuant to the custodial credit risk categories of GASB Statement No. 3.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investments in a single issuer. The Village limits the amount that can be invested in any one issuer of Federal Agencies and Instrumentalities to 40% of the portfolio. The Village was in compliance with this policy at year-end. At September 30, 2009, the Village had more than 5% of its investments in the following:

Issuer	Fair Value	Percentage
Fannie Mae	\$ 20,366,458	23.55%
Freddie Mac	10,440,558	12.07%
Federal Home Loan Bank	23,637,147	27.34%
Federal Farm Credit Bank	5,755,547	6.66%

NOTE 3. ACCOUNTS RECEIVABLE

Accounts receivable as of September 30, 2009, for individual major funds and aggregate nonmajor funds are as follows:

	General	Planning Zoning and Building	Recreation Programs	Capital Projects	Nonmajor Funds	Utility System	Solid Waste	Total
Utility taxes	\$ 352,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 352,489
Franchise taxes	365,499	-	-	-	-	-	-	365,499
Accounts	116,626	49,292	-	-	-	1,588,004	51,335	1,805,257
Interest	118,726	26,581	15,512	87,781	123,802	163,472	26,616	562,490
Gross receivables	953,340	75,873	15,512	87,781	123,802	1,751,476	77,951	3,085,735
Less allowance for uncollectible accounts	-	-	-	-	-	(61,300)	-	(61,300)
	<u>\$ 953,340</u>	<u>\$ 75,873</u>	<u>\$ 15,512</u>	<u>\$ 87,781</u>	<u>\$ 123,802</u>	<u>\$ 1,690,176</u>	<u>\$ 77,951</u>	<u>\$ 3,024,435</u>

NOTE 4. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments as of September 30, 2009, for individual major funds and aggregate nonmajor funds are as follows:

	<u>General</u>	<u>Planning, Zoning and Building</u>	<u>Recreation Programs</u>	<u>Capital Projects</u>	<u>Nonmajor Funds</u>	<u>Solid Waste</u>	<u>Total</u>
Federal Government:							
FEMA	\$ 322,713	\$ -	\$ 455,708	\$ -	\$ 171,109	\$ 1,169,864	\$ 2,119,394
Internal Revenue Service	14,522	-	-	-	-	-	14,522
State of Florida:							
State Shared Revenues	526,594	-	-	-	-	-	526,594
Communication Services Tax	244,268	-	-	-	-	-	244,268
Local Option Gas Tax	-	-	-	-	120,035	-	120,035
Palm Beach County:							
County Shared Revenues	8,196	149	-	-	22,597	22,073	53,015
South FL Water Management Dist.	-	-	-	2,472,390	-	-	2,472,390
Pine Tree Water Control District	-	-	-	-	52,751	-	52,751
	<u>\$1,116,293</u>	<u>\$ 149</u>	<u>\$ 455,708</u>	<u>\$ 2,472,390</u>	<u>\$ 366,492</u>	<u>\$ 1,191,937</u>	<u>\$ 5,602,969</u>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclassification</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 19,063,169	\$ -	\$ -	\$ -	\$ 19,063,169
Construction in progress	12,097,648	12,570,986	-	(10,331,706)	14,336,928
Infrastructure	55,212,891	-	-	1,034,642	56,247,533
Total capital assets, not being depreciated	<u>86,373,708</u>	<u>12,570,986</u>	<u>-</u>	<u>(9,297,064)</u>	<u>89,647,630</u>
Capital assets, being depreciated:					
Buildings	13,005,544	-	-	-	13,005,544
Improvements	52,251,858	-	-	9,180,038	61,431,896
Machinery and equipment	16,814,230	680,066	(571,302)	117,026	17,040,020
Total capital assets, being depreciated	<u>82,071,632</u>	<u>680,066</u>	<u>(571,302)</u>	<u>9,297,064</u>	<u>91,477,460</u>
Less accumulated depreciation for:					
Buildings	(2,414,961)	(432,400)	-	-	(2,847,361)
Improvements	(29,571,632)	(1,343,130)	-	-	(30,914,762)
Machinery and equipment	(11,020,606)	(4,501,311)	509,685	-	(15,012,232)
Total accumulated depreciation	<u>(43,007,199)</u>	<u>(6,276,841)</u>	<u>509,685</u>	<u>-</u>	<u>(48,774,355)</u>
Total capital assets, being depreciated, net	<u>39,064,433</u>	<u>(5,596,775)</u>	<u>(61,617)</u>	<u>9,297,064</u>	<u>42,703,105</u>
Governmental activities capital assets, net	<u>\$ 125,438,141</u>	<u>\$ 6,974,211</u>	<u>\$ (61,617)</u>	<u>\$ -</u>	<u>\$ 132,350,735</u>

NOTE 5. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Reclassification	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 8,996,705	\$ -	\$ -	\$ -	\$ 8,996,705
Construction in progress	32,700,604	6,666,668	(177,000)	(33,857,365)	5,332,907
Total capital assets, not being depreciated	<u>41,697,309</u>	<u>6,666,668</u>	<u>(177,000)</u>	<u>(33,857,365)</u>	<u>14,329,612</u>
Capital assets, being depreciated:					
Buildings	3,358,222	4,965	-	-	3,363,187
Land improvements	3,162,890	-	-	-	3,162,890
Furniture, fixtures, equipment and vehicles	3,414,980	269,537	(157,399)	-	3,527,118
Meters	4,930,461	-	(4,931,643)	4,691,524	4,690,342
Major equipment	9,364,430	-	(19,180)	-	9,345,250
Water and wastewater plant	25,343,000	-	-	20,652,995	45,995,995
Wells	7,355,453	-	-	4,216,833	11,572,286
Telemetry	479,020	-	-	-	479,020
Distribution lines	71,671,379	1,918,511	-	4,296,013	77,885,903
Total capital assets, being depreciated	<u>129,079,835</u>	<u>2,193,013</u>	<u>(5,108,222)</u>	<u>33,857,365</u>	<u>160,021,991</u>
Less accumulated depreciation for:					
Buildings	(640,331)	(111,165)	-	-	(751,496)
Land improvements	(725,595)	(296,902)	-	-	(1,022,497)
Furniture, fixtures, equipment and vehicles	(3,059,553)	(251,505)	132,095	-	(3,178,963)
Meters	(2,653,433)	(593,631)	2,598,762	-	(648,302)
Major equipment	(8,392,263)	(164,009)	19,180	-	(8,537,092)
Water and wastewater plant	(13,304,947)	(1,197,668)	-	-	(14,502,615)
Wells	(6,060,323)	(365,029)	-	-	(6,425,352)
Telemetry	(449,573)	(14,739)	-	-	(464,312)
Distribution lines	(26,663,615)	(1,873,291)	-	-	(28,536,906)
Total accumulated depreciation	<u>(61,949,633)</u>	<u>(4,867,939)</u>	<u>2,750,037</u>	<u>-</u>	<u>(64,067,535)</u>
Total capital assets, being depreciated, net	<u>67,130,202</u>	<u>(2,674,926)</u>	<u>(2,358,185)</u>	<u>33,857,365</u>	<u>95,954,456</u>
Business-type activities capital assets, net	<u>\$ 108,827,511</u>	<u>\$ 3,991,742</u>	<u>\$ (2,535,185)</u>	<u>\$ -</u>	<u>\$ 110,284,068</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 323,448
Planning and development	65,098
Engineering and public works	1,491,456
Surface water management	1,422,993
Transportation	622,854
Culture and recreation	2,350,992
Total depreciation expense - governmental activities	<u>\$ 6,276,841</u>
Business-type activities:	
Water utility	\$ 4,849,894
Solid waste	18,045
Total depreciation expense - business-type activities	<u>\$ 4,867,939</u>

NOTE 6. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2009, was as follows:

Governmental Activities

	Balance September 30, 2008	Additions	Reductions	Balance September 30, 2009	Due Within One Year
Public Service Tax Revenue Bonds, Series 1999	\$ 1,035,000	\$ -	\$ (730,000)	\$ 305,000	\$ 305,000
Public Service Tax Revenue Refunding Bonds, Series 2005	9,715,000	-	(70,000)	9,645,000	530,000
Florida Municipal Loan Council:					
Series 2001A	4,425,000	-	(225,000)	4,200,000	235,000
Series 2002C	5,180,000	-	(245,000)	4,935,000	255,000
Less deferred amount on refunding	(456,737)	-	41,838	(414,899)	-
Plus unamortized bond premium	429,001	-	(31,231)	397,770	-
Total Bonds Payable	20,327,264	-	(1,259,393)	19,067,871	1,325,000
Compensated absences payable	993,927	831,347	(827,647)	997,627	448,932
Total	<u>\$ 21,321,191</u>	<u>\$ 831,347</u>	<u>\$ (2,087,040)</u>	<u>\$ 20,065,498</u>	<u>\$ 1,773,932</u>

\$15,670,000 Public Service Tax Revenue Bonds

In August 1999, the Village issued \$15,670,000 of Public Service Tax Revenue Bonds, Series 1999. In May 2005, \$9,335,000 of the outstanding bonds were refunded as part of the \$9,995,000 Public Service Tax Revenue Refunding Bonds, Series 2005. Interest, at rates ranging from 3.60% to 5.25%, is payable semi-annually on March 1 and September 1. The remaining principal of \$305,000 is payable on September 1, 2010. The bonds do not constitute a general obligation of the Village, or the State of Florida, or any political subdivision, but are payable solely from public service taxes levied on the purchase of electricity, gas, water service, and telecommunication service. The bonds were issued to provide funds for construction of infrastructure and recreational projects under the Village's Capital Improvement Plan. Additionally, proceeds were used to repay an outstanding promissory note. At September 30, 2009, the outstanding balance was \$305,000.

The bond agreement contains significant limitations and restrictions on annual debt service levels, minimum amounts to be maintained, conditions upon the issuance of additional bonds, and certain other covenants. At September 30, 2009, the Village was in compliance with these covenants.

Future debt service requirements to maturity are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending September 30, 2010	<u>\$ 305,000</u>	<u>\$ 14,487</u>	<u>\$ 319,487</u>

NOTE 6. LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities (Continued)
Governmental Activities (Continued)

\$9,995,000 Public Service Tax Revenue Refunding Bonds

In May 2005, the Village issued \$9,995,000 of Public Service Tax Revenue Refunding Bonds, Series 2005 to refund a portion of the Public Service Tax Revenue Bonds, Series 1999. Interest at a rate of 3.73% is payable semi-annually on March 1 and September 1. The remaining principal is payable in annual installments of \$530,000 to \$1,165,000 with the final payment due September 1, 2019. At September 30, 2009, the outstanding balance was \$9,645,000.

Future debt service requirements to maturity are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending September 30:			
2010	\$ 530,000	\$ 359,759	\$ 889,759
2011	870,000	339,990	1,209,990
2012	905,000	307,539	1,212,539
2013	940,000	273,782	1,213,782
2014	970,000	238,720	1,208,720
2015 - 2019	<u>5,430,000</u>	<u>622,724</u>	<u>6,052,724</u>
Total Public Service Tax Revenue Refunding Bonds, Series 2005	<u>\$ 9,645,000</u>	<u>\$ 2,142,514</u>	<u>\$ 11,787,514</u>

Defeased Debt

As a result of the refunding, the refunded portion of the Public Service Tax Revenue Bonds, Series 1999 is considered to be defeased and the liability has been removed from the financial statements. At September 30, 2009, the amount of defeased debt outstanding, but removed from the financial statements was \$6,560,000

Debt Compliance

Various bond indentures contain covenants which specify certain limitations and restrictions for the Village regarding annual debt service requirements and minimum revenue bond coverage. Management believes that the Village has complied with all covenants. Additional information can be found in the statistical section of this report.

\$5,605,000 Florida Municipal Loan Council

In November 2001, the Village entered into a loan agreement with the Florida Municipal Loan Council for \$5,605,000 (Series 2001A). Proceeds from the loan are to be used for capital improvements including road construction, improvements to the storm water system, and acquisition and construction of public buildings. Interest, at rates ranging from 3.25% to 5.25% is payable semi-annually on May 1 and November 1. The remaining principal is payable in annual installments of \$235,000 to \$425,000 with the final payment due in November 2021. At September 30, 2009, the outstanding balance was \$4,200,000.

NOTE 6. LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities (Continued)
Governmental Activities (Continued)

Future debt service requirements to maturity are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending September 30:			
2010	\$ 235,000	\$ 205,950	\$ 440,950
2011	250,000	193,825	443,825
2012	260,000	181,075	441,075
2013	275,000	167,700	442,700
2014	285,000	153,344	438,344
2015 - 2019	1,670,000	519,313	2,189,313
2020 - 2022	<u>1,225,000</u>	<u>88,944</u>	<u>1,313,944</u>
Total Loan Payable, Series 2001A	<u>\$ 4,200,000</u>	<u>\$ 1,510,151</u>	<u>\$ 5,710,151</u>

\$6,290,000 Florida Municipal Loan Council

In November 2002, the Village entered into a loan agreement with the Florida Municipal Loan Council for \$6,290,000 (Series 2002C). Proceeds from the loan are to be used for capital improvements including but not limited to parks and recreation improvements, road extension improvements, and surface water management projects. Interest, at rates ranging from 3.00% to 5.25% is payable annually on November 1. The remaining principal is payable in annual installments of \$255,000 to \$480,000 with the final payment due in November 2022. At September 30, 2009, the outstanding balance was \$4,935,000.

Future debt service requirements to maturity are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending September 30:			
2010	\$ 255,000	\$ 244,288	\$ 499,288
2011	265,000	231,288	496,288
2012	280,000	219,063	499,063
2013	290,000	207,663	497,663
2014	300,000	193,988	493,988
2015 - 2019	1,765,000	708,094	2,473,094
2020 - 2023	<u>1,780,000</u>	<u>192,938</u>	<u>1,972,938</u>
Total Loan Payable, Series 2002C	<u>\$ 4,935,000</u>	<u>\$ 1,997,322</u>	<u>\$ 6,932,322</u>

Pledged Revenue

The Village has pledged future public service tax revenues to repay \$15,670,000 in Public Service Tax Revenue Bonds, Series 1999 and \$9,995,000 in Public Service Tax Revenue Refunding Bonds, Series 2005, respectively. Proceeds from the 1999 bonds provided funds for construction of infrastructure and recreational projects under the Village's Capital Improvement Plan. Proceeds of the 2005 bonds were used to refund a portion of the Public Service Tax Revenue Bonds, Series 1999. The bonds are payable solely from public service tax revenues and are payable through 2019. Annual principal and interest payments on

NOTE 6. LONG-TERM DEBT (Continued)

Pledged Revenue (Continued)
Governmental Activities (Continued)

the bonds are expected to require less than 14% of annual public service tax revenues. The total principal and interest remaining to be paid on the Public Service Tax Revenue Bonds, Series 1999 is \$319,487 and Public Service Tax Revenue Refunding Bonds, Series 2005, is \$11,787,514. Total principal and interest paid for the current year and total public service tax revenues were \$1,211,167 and \$10,229,333, respectively.

Debt Service Reserve Surety Bonds

The Village's debt service reserve surety bonds for its Public Service Tax Revenue Bonds Series 1999 and Series 2005 were purchased from Ambac Assurance Corporation, a subsidiary of Ambac Financial Group, Inc. (AMBAC). In December 2009, the New York Stock Exchange (NYSE) notified AMBAC that it had fallen below the NYSE's continued listing standard relating to the price of its common stock. Ambac Assurance Corporation, a guarantor of public finance and structured finance obligations, has a Caa2 rating from Moody's Investors Service, Inc. and a CC rating from Standard & Poor's Rating Services. Village management, in consultation with legal counsel, has determined that the Village is not required to obtain a replacement insurance guarantor or provide additional security for the payment of the obligations insured by AMBAC.

Business-type Activities

	Balance September 30, 2008	Additions	Reductions	Balance September 30, 2009	Due Within One Year
Utility System Revenue Refunding Bonds	\$ 13,705,000	\$ -	\$ (2,280,000)	\$ 11,425,000	\$ 2,335,000
Plus unamortized bond premium	138,962	-	(27,792)	111,170	-
Less unamortized refunding loss	(813,006)	-	162,601	(650,405)	-
Total Bonds Payable	13,030,956	-	(2,145,191)	10,885,765	2,335,000
Compensated absences payable	181,208	238,671	(207,880)	211,999	95,400
Total	<u>\$ 13,212,164</u>	<u>\$ 238,671</u>	<u>\$ (2,353,071)</u>	<u>\$ 11,097,764</u>	<u>\$ 2,430,400</u>

\$22,355,000 Utility System Revenue Refunding and Improvement Bonds

In August 2003, the Village issued \$22,355,000 of Utility System Revenue Refunding and Improvement Bonds, Series 2003. Interest, at rates ranging from 2.00% to 4.00%, is payable semi-annually on April 1 and October 1. The remaining principal is payable in annual installments of \$1,500,000 to \$2,635,000, with the final payment due October 1, 2013. The bonds do not constitute a general obligation of the Village, or the State of Florida, or any political subdivision, but are payable solely from net revenues derived from the operation of the water and sewer utility system, certain impact fees, and money and fees held in certain funds. The bonds were issued to refund all of the Utility System Revenue Refunding Bonds, Series 1993, and finance certain capital expenditures related to the water and sewer system or for any other lawful purpose. At September 30, 2009, the outstanding balance was \$11,425,000.

Annual debt service requirements to maturity for the Utility System Revenue Refunding Bonds are as follows:

NOTE 6. LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities (Continued)

Business-type Activities (Continued)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending September 30:			
2010	\$ 2,335,000	\$ 417,474	\$ 2,752,474
2011	2,420,000	319,549	2,739,549
2012	2,535,000	210,889	2,745,889
2013	2,635,000	80,065	2,715,065
2014	<u>1,500,000</u>	<u>60,000</u>	<u>1,560,000</u>
Total Utility System Revenue Refunding and Improvement Bonds, Series 2003	<u>\$ 11,425,000</u>	<u>\$ 1,087,977</u>	<u>\$ 12,512,977</u>

Federal Arbitrage Regulations

The Village is subject to the arbitrage restrictions that have been imposed by the federal government for each of its outstanding debt issues (Public Services Tax Revenue Bonds, Loans with the Florida Municipal Loan Council, and the Utility System Revenue Bonds). No events have occurred since the issuance of each bond that would cause the bonds to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code.

Pledged Revenue

The Village has pledged future water and sewer revenues, net of specified operating expenses, to repay \$22,355,000 in Utility System Revenue Refunding and Improvement Bonds issued in August 2003. Proceeds from the bonds provided funds to refund all of the Utility System Revenue Refunding Bonds, Series 1993 and finance certain capital expenditures related to the water and sewer system. The bonds are payable solely from water and sewer net revenues and are payable through 2014. Annual principal and interest payments on the bonds are expected to require less than 43% of annual net revenues. The total principal and interest remaining to be paid on the bonds is \$12,512,977. Total principal and interest paid for the current year and total water and sewer net revenues were \$2,737,499 and \$6,240,055, respectively.

Interest Expense

Total interest costs incurred and paid on all Village debt for the year ended September 30, 2009 totaled \$1,340,301 and \$1,370,957, respectively.

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2009 is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Solid waste	\$ 125,567
Capital projects	Wellington Community Foundation	<u>200,000</u>
		<u>\$ 325,567</u>

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

These outstanding balances between funds result mainly from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system and (c) payments between funds are made. These balances also include loans to other funds that the General Fund expects to collect in the subsequent year.

Advances from/to Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Solid waste	\$ 293,536

These amounts payable to the General Fund relate to loans that are not scheduled to be collected in the subsequent year.

Interfund Transfers

Transfers of resources from a fund receiving revenue to the fund through which the resources will be expended are recorded as transfers and are reported as other financing sources (uses) in the governmental funds and transfers (to) from other funds in the enterprise fund.

Transfers for the year ended September 30, 2009 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 8,580,960	\$ 17,181,609
Planning, zoning and building fund	1,631,195	1,541,660
Recreation programs fund	8,503,482	3,251,634
Capital projects fund	1,519,875	61,400
Nonmajor governmental funds	9,215,778	3,771,083
Utility system fund	-	1,450,000
Solid waste fund	-	2,193,904
Total	<u>\$ 29,451,290</u>	<u>\$ 29,451,290</u>

Transfers are used to (1) move revenues from the fund budgeted to collect them to the fund budgeted to expend them, (2) use unrestricted revenues collected in the general fund to finance recreation programs, and (3) allocate indirect expenses for overhead.

NOTE 8. RETIREMENT PLAN

The Village contributes to the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit pension plan. FRS was created by the Florida Legislature, and is administered by the State of Florida, Department of Management Services, Division of Retirement. FRS provides retirement, disability and death benefits for retirees or their designated beneficiaries. All retirement legislation must comply with Article X, Section 14 of the State Constitution and Part VII, Chapter 112, Florida Statutes. Both of these provisions require that any increase in retirement benefits must be funded concurrently on an actuarially sound basis.

FRS issues a publicly available financial report that includes statements of financial condition, investment objectives and policy, an actuarial report, historical and statistical information on active members, annuitants, and benefit payments, as well as a description of the retirement plans. That report may be

NOTE 9. RETIREMENT PLAN (Continued)

obtained by writing to the Division of Retirement, 2639 North Monroe Street, Building C, Tallahassee, Florida 32399-1560.

Plan members are not required to contribute to the Plan. As of September 30, 2009, the required annual contribution rate is 9.85% of the covered salary for regular members. On January 1, 2008 Wellington opted to participate solely in the FRS and opted out of the 401A pension plan. Contributions to FRS for the years ended September 30, 2009, 2008, and 2007 were \$1,389,523, \$1,068,856, and \$56,454, respectively, equal to 100% of the required contributions for each year.

NOTE 9. RISK MANAGEMENT

Wellington is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Village carries commercial insurance. Specifically, the Village purchases commercial insurance for property, medical benefits, worker's compensation, general liability, automobile liability, errors and omissions, and directors and officers liability. Wellington is also covered by Florida Statutes under the Doctrine of Sovereign Immunity, which effectively limits the amount of liability of municipalities to individual claims of \$100,000/\$200,000 for all claims relating to the same accident. There were no changes in insurance coverage from the prior year and there were no settlements that exceeded insurance coverage in the last three years.

NOTE 10. CONTINGENCIES

There are various claims and legal actions pending against the Village for which no provision has been made in the financial statements. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Village's Attorneys that resolution of these matters will not have a material adverse effect on the financial condition of the Village.

NOTE 11. COMMITMENTS

Facilities Management and Information Technology

The Village amended a contract with SunGuard Public Sector, Inc. to provide facilities management, information technology, and related services. The term of the agreement ended September 30, 2009, but was amended to extend the terms of the agreement for the period starting October 1, 2009, ending May 31, 2010. For the year ended September 30, 2009, amounts were remitted pursuant to the agreement.

A new Application Service Provider Agreement was executed which provides for the use of SunGuard Public Sector, Inc. software package. According to the agreement, the Village will pay SunGuard Public Sector, Inc. \$240,000 for 2010 and \$247,200 per year from 2011-2014. The total amount of the contract remaining is \$1,228,800.

Agreement for Police Services

The Village entered into an agreement with the Palm Beach County Sheriff's Office for the provision of professional police services through September 30, 2009. By May 1 of each year, the Palm Beach County Sheriff's Office submits the proposed cost of services and related staffing which is incorporated into the Village's budget. Pursuant to the agreement, the Sheriff will assign personnel to provide law enforcement coverage within the Village. Amounts paid pursuant to this agreement were \$6,854,151 for the year ended September 30, 2009. This agreement has been extended through the year ending September 30, 2010. Amounts to be paid pursuant to this agreement in fiscal year 2010 total \$7,503,942.

NOTE 11. COMMITMENTS (Continued)

Solid Waste Collection and Recycling

During the year ended September 30, 2008, the contract for waste and recycling collection services was bid. The bid was awarded to Waste Management, Inc. at a contract cost totaling \$3,018,000 for the year ended September 30, 2009 for residential services. The contract also grants the contractor the exclusive right to provide service directly to commercial operations. The contract gives the contractor the right to petition the Village for rate adjustments on the basis of extraordinary and unusual changes in the cost of operations. Amounts to be paid pursuant to this agreement in fiscal year 2010 total \$2,979,000.

South Florida Water Management District Memorandum of Understanding (MOU)

On February 4, 2004, the Village Council approved a Memorandum of Understanding (MOU) with South Florida Water Management District (SFWMD) for funding and construction of the Basin B project. The original MOU acknowledged the need for improved water resource management facilities for Basins A and B that met regional multi-purpose objectives including environmental restoration, flood protection, water quality enhancement and recreation. This MOU was amended on June 26, 2007 authorizing the Village to construct pump station 7 and related ancillary project features with full reimbursement by SFWMD to the Village upon satisfactory completion of each phase of the project.

On October 23, 2007, the Village agreed to design, permit, construct, operate and maintain the Section 24 Impoundment, including an inflow pump station, outflow water control structures, and related project features to complete the Phase 2 project under the same basic terms of MOU No. 1 initially approved for the construction of pump station No. 7. Under the revised MOU, SFWMD will reimburse the Village for all costs incurred for the design and construction of a standard electric inflow Pump Station No. 9, Section 24 Impoundment, outflow water control structures and various other project features at a cost of \$21 million and then split any additional costs 50/50 with the Village not to exceed the total SFWMD project budget of \$21.5 million. As of September 30, 2009, cumulative expenditures of \$7,809,291 have been expended and reimbursed through the Capital Projects Fund.

Town Center

Wellington has undertaken the creation of a "Town Center". A new municipal complex, amphitheater, and barrier-free playground will be constructed. In addition, improvements to the aquatics complex, and the Wellington Community Center will help to create a sense of identity for the Village and a focal point for residents and businesses alike.

Wellington has contracted with The Weitz Company, LLC for the construction of a new Municipal Complex. This project, started during the first quarter of fiscal year 2010 and will be completed during 2011, will be used to consolidate many departments under one roof. A contract has been awarded in the amount of approximately \$10.5 million and is being accounted for in the Capital Projects Fund.

Wellington has contracted with Coastal Contracting & Development for the construction of an amphitheater and barrier-free playground. The open-air amphitheater will have a stage, "green rooms" for performers, restrooms, and a staging/loading area for equipment. The barrier-free playground will have two distinct play areas designed in an equestrian theme. In addition, the playground will contain benches, pavilions, swing sets, trash receptacles, drinking fountains, a "reading corner" and a bathroom facility that will serve both the playground and the amphitheater. This project will be completed during 2010 and is being accounted for in the Capital Projects Fund. A contract has been awarded in the amount of approximately \$1.7 million. A grant from Palm Beach County totaling \$820,000 will be used as funding for the amphitheater portion of the project.

NOTE 11. COMMITMENTS (Continued)

Forest Hill Boulevard

Wellington has contracted with various contractors for improvements to Forest Hill Boulevard. This project is one of the Village's economic development initiatives and the improvements serve to promote and enhance the roadway as the main corridor through the Village. The improvements include drainage improvements, milling and resurfacing, additional signage, landscaping and irrigation, hardscape improvements, lighting and pedestrian crossing signals. As of September 30, 2009, contracts totaling approximately \$5.4 million have been awarded. The total project is estimated to cost \$6.1 million and is being accounted for in the Gas Tax Capital Fund. Federal stimulus monies totaling approximately \$5 million will be used as funding for the project.

Wastewater Treatment Facility Expansion and Improvements

Wellington has contracted with Wharton Smith, Inc. for the construction of additional treatment, reuse and biosolids processing facilities at the wastewater treatment facility. This project will increase the capacity of the wastewater treatment facility from 4.75 MGD to 6.50 MGD. In addition, the project will allow the Village to comply with current and pending regulatory requirements mandated by the Florida Department of Environmental Protection and to strengthen odor control. A contract has been awarded in the amount of approximately \$21.6 million with an anticipated completion date of August 2011 and is being accounted for in the Utility System Fund.

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS

Plan Description: On September 28, 2007, the Village established the Employee Retirement Healthcare Trust Fund, an agent multiple-employer, defined benefit healthcare plan administered by the League of Cities. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses and families. The Village Council is authorized to establish and amend benefit levels, subject to the minimum requirements set forth by Florida Statutes, and to approve the actuarial assumptions used in the determination of contribution levels. The Plan does not issue a separate financial statement and required supplementary information. There were two retirees eligible to receive benefits as of September 30, 2009.

Funding Policy: The Village Council is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels. The Village Council also establishes the contribution requirements of plan members and the Village. These contributions are neither mandated nor guaranteed. The retiree contributes the premium cost each month. Spouses and other dependents are also eligible for coverage, although the retiree pays the full cost of the premium. The Village does not subsidize any member premiums. Plan members receiving benefits contribute 100% of the monthly premium ranging from a minimum of \$692 to a maximum of \$2,019.

Annual OPEB Cost: The annual other postemployment benefit (OPEB) cost for the fiscal year was \$50,000, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The annual OPEB cost, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the fiscal year ended September 30, 2009 and the preceding year were as follows:

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset
9/30/2008	\$ 49,000	0%	\$ 655,969
9/30/2009	50,000	0%	605,969
Annual required contribution			\$ 18,000
Interest on OPEB obligation			(62,000)
Adjustment to annual required contribution			<u>94,000</u>
Annual OPEB cost			50,000
Contribution made			<u>-</u>
Change in net OPEB asset			50,000
Net OPEB liability (asset), beginning of year			<u>(655,969)</u>
Net OPEB liability (asset), end of year			<u>\$ (605,969)</u>

The annual required contributions for 2009 and 2008 were \$18,000 and \$15,000, respectively, of which the Village made contributions of \$0 for each year and instead reduced the net OPEB asset.

Funded Status and Funding Progress: The funded status of the plan as of September 30, 2009 was as follows (based upon the first actuarial valuation since the plan was funded):

Actuarial accrued liability (AAL)	\$ 583,000
Actuarial value of plan assets	<u>783,000</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ (200,000)</u>
Funded Ratio (actuarial value of plan assets/AAL)	134.3%
Covered payroll (active plan members)	\$ 11,641,000
UAAL as a percentage of covered payroll	-1.7%

Actuarial Methods and Assumptions: Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Although the valuation results are based on values the actuarial consultant believes are reasonable assumptions, the valuation result is only an estimate of what future costs may actually be and reflect a long-term perspective. Deviations in any of several factors, such as future interest rate discounts, medical cost inflation, Medicare coverage risk and changes in marital status, could result in actual costs being greater or less than estimated.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation for the Plan as of July 1, 2008, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 7.5% investment rate of return (net of administrative expenses),

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

and an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 5.5% after ten years. Both rates included a 3.5% inflation assumption. The actuarial value of assets will be determined using fair value. The UAAL will be amortized as a level percentage of projected payroll on an open basis. The remaining amortization period is fourteen years.

The assumptions above were modified from the initial actuarial valuation for the plan. These assumptions included an investment rate of return of 8%, an annual health-care cost trend rate of 12%, and a 4% inflation assumption. The change in these assumptions, plus actual retiree data, resulted in a substantially lower annual OPEB cost for 2009.



REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules:

General Fund

Special Revenue Funds:

Planning, Zoning and Building
Recreation Programs

VILLAGE OF WELLINGTON, FLORIDA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

YEAR ENDED SEPTEMBER 30, 2009

	<u>Original</u>	<u>Prior</u>	<u>Legally</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
	<u>Adopted</u>	<u>Year</u>	<u>Adopted</u>	<u>Revised</u>		<u>With</u>
	<u>Budget</u>	<u>Carryforward</u>	<u>Budget</u>	<u>Budget</u>		<u>Final Budget</u>
			<u>Amendments</u>			<u>Positive</u>
						<u>(Negative)</u>
Revenues:						
Ad valorem taxes	\$ 16,021,022	\$ -	\$ -	\$ 16,021,022	\$ 16,049,186	\$ 28,164
Franchise fees	3,551,200	-	-	3,551,200	3,594,701	43,501
Utility taxes	3,145,000	-	-	3,145,000	3,451,151	306,151
Public services tax	2,600,000	-	-	2,600,000	3,183,481	583,481
Licenses and permits	255,200	-	-	255,200	285,087	29,887
Intergovernmental	4,573,000	-	-	4,573,000	4,415,603	(157,397)
Charges for services	-	-	-	-	16,728	16,728
Fines and forfeitures	160,000	-	-	160,000	131,134	(28,866)
Investment income	684,000	-	-	684,000	1,118,132	434,132
Miscellaneous	<u>134,000</u>	-	-	<u>134,000</u>	<u>264,592</u>	<u>130,592</u>
Total revenues	<u>31,123,422</u>	<u>-</u>	<u>-</u>	<u>31,123,422</u>	<u>32,509,795</u>	<u>1,386,373</u>

(Continued)

VILLAGE OF WELLINGTON, FLORIDA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

YEAR ENDED SEPTEMBER 30, 2009

	Original Adopted Budget	Prior Year Carryforward	Legally Adopted Budget Amendments	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures:						
Current:						
General government:						
Village Council	\$ 295,467	\$ 7,954	\$ 59,800	\$ 363,221	\$ 248,115	\$ 115,106
Village Clerk	1,362,904	5,625	(68,974)	1,299,555	1,204,101	95,454
Village Manager	751,166	24,200	(4,730)	770,636	769,784	852
Communications	160,401	-	7,750	168,151	166,870	1,281
Financial services	2,148,443	4,184	49,430	2,202,057	2,107,553	94,504
Administrative services	951,265	-	70,954	1,022,219	1,017,157	5,062
Human resources	498,882	8,370	(17,274)	489,978	407,800	82,178
Risk management	1,056,750	-	(235,835)	820,915	807,743	13,172
Legal	565,000	-	100,000	665,000	549,743	115,257
Information technology	1,296,144	12,518	51,954	1,360,616	1,350,401	10,215
Other	226,120	-	6,045	232,165	147,126	85,039
Total general government	<u>9,312,542</u>	<u>62,851</u>	<u>19,120</u>	<u>9,394,513</u>	<u>8,776,393</u>	<u>618,120</u>
Public safety:						
Law enforcement	6,972,301	-	-	6,972,301	6,986,980	(14,679)
Physical environment:						
Operations administration	1,010,894	-	115,018	1,125,912	1,123,688	2,224
Public works	4,298,796	16,577	100	4,315,473	4,069,147	246,326
Nuisance abatement	110,250	-	-	110,250	85,646	24,604
Safe neighborhoods	-	-	225,985	225,985	224,138	1,847
GIS	308,613	-	(49,624)	258,989	122,885	136,104
Emergency operations	53,000	-	(6,515)	46,485	32,027	14,458
Engineering	788,414	-	(5,600)	782,814	757,171	25,643
Total physical environment	<u>6,569,967</u>	<u>16,577</u>	<u>279,364</u>	<u>6,865,908</u>	<u>6,414,702</u>	<u>451,206</u>
Capital outlay	171,703	27,290	54,261	253,254	142,176	111,078
Total expenditures	<u>23,026,513</u>	<u>106,718</u>	<u>352,745</u>	<u>23,485,976</u>	<u>22,320,251</u>	<u>1,165,725</u>
Excess (deficiency) of revenues over expenditures	<u>8,096,909</u>	<u>(106,718)</u>	<u>(352,745)</u>	<u>7,637,446</u>	<u>10,189,544</u>	<u>2,552,098</u>
Other financing sources (uses):						
Operating contingency	(6,045)	-	(150,000)	(156,045)	-	156,045
Transfers in	9,090,824	-	93,000	9,183,824	8,580,960	(602,864)
Transfers out	(16,951,903)	-	(418,785)	(17,370,688)	(17,181,609)	189,079
Total other financing uses	<u>(7,867,124)</u>	<u>-</u>	<u>(475,785)</u>	<u>(8,342,909)</u>	<u>(8,600,649)</u>	<u>(257,740)</u>
Net change in fund balance	(228,634)	(106,718)	(1,146,530)	(705,463)	1,588,895	2,294,358
Fund balance, beginning of year	228,634	106,718	1,146,530	705,463	22,635,381	21,929,918
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,224,276</u>	<u>\$ 24,224,276</u>

See note to budgetary comparison schedules

VILLAGE OF WELLINGTON, FLORIDA

BUDGETARY COMPARISON SCHEDULE

PLANNING, ZONING AND BUILDING - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2009

	<u>Original Adopted Budget</u>	<u>Prior Year Carryforward</u>	<u>Legally Adopted Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:						
Licenses and permits	\$ 3,427,278	\$ -	\$ -	\$ 3,427,278	\$ 2,678,182	\$ (749,096)
Fines and forfeitures	125,000	-	-	125,000	409,833	284,833
Investment income	218,000	-	-	218,000	235,597	17,597
Miscellaneous	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>41,088</u>	<u>(8,912)</u>
Total revenues	<u>3,820,278</u>	<u>-</u>	<u>-</u>	<u>3,820,278</u>	<u>3,364,700</u>	<u>(455,578)</u>
Expenditures:						
Current:						
Physical environment:						
Planning, zoning and building administration	509,006	4,925	2,590	516,521	445,649	70,872
Planning & zoning	640,004	-	2,945	642,949	610,475	32,474
Code compliance	836,692	-	-	836,692	696,897	139,795
Building	<u>1,856,071</u>	<u>-</u>	<u>-</u>	<u>1,856,071</u>	<u>1,665,932</u>	<u>190,139</u>
Total physical environment	<u>3,841,773</u>	<u>4,925</u>	<u>5,535</u>	<u>3,852,233</u>	<u>3,418,953</u>	<u>433,280</u>
Capital outlay	<u>107,010</u>	<u>16,079</u>	<u>188,465</u>	<u>311,554</u>	<u>242,452</u>	<u>69,102</u>
Total expenditures	<u>3,948,783</u>	<u>21,004</u>	<u>194,000</u>	<u>4,163,787</u>	<u>3,661,405</u>	<u>502,382</u>
Excess (deficiency) of revenues over expenditures	<u>(128,505)</u>	<u>(21,004)</u>	<u>(194,000)</u>	<u>(343,509)</u>	<u>(296,705)</u>	<u>46,804</u>
Other financing sources (uses):						
Operating contingency	-	-	(115,000)	(115,000)	-	115,000
Transfers in	1,631,195	-	-	1,631,195	1,631,195	-
Transfers out	<u>(1,502,690)</u>	<u>-</u>	<u>194,000</u>	<u>(1,308,690)</u>	<u>(1,541,660)</u>	<u>(232,970)</u>
Total other financing sources (uses)	<u>128,505</u>	<u>-</u>	<u>79,000</u>	<u>207,505</u>	<u>89,535</u>	<u>(117,970)</u>
Net change in fund balance	-	(21,004)	(115,000)	(136,004)	(207,170)	(71,166)
Fund balance, beginning of year	<u>-</u>	<u>21,004</u>	<u>115,000</u>	<u>136,004</u>	<u>5,372,090</u>	<u>5,236,086</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,164,920</u>	<u>\$ 5,164,920</u>

See note to budgetary comparison schedules

VILLAGE OF WELLINGTON, FLORIDA
 BUDGETARY COMPARISON SCHEDULE
 RECREATION PROGRAMS - SPECIAL REVENUE FUND
 YEAR ENDED SEPTEMBER 30, 2009

	Original Adopted Budget	Prior Year Carryforward	Legally Adopted Budget Amendments	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 1,196,098	\$ 1,196,098
Charges for services	1,832,499	-	-	1,832,499	1,467,408	(365,091)
Investment income	73,000	-	-	73,000	137,486	64,486
Miscellaneous	7,000	-	-	7,000	18,202	11,202
Total revenues	<u>1,912,499</u>	<u>-</u>	<u>-</u>	<u>1,912,499</u>	<u>2,819,194</u>	<u>906,695</u>
Expenditures:						
Current:						
Culture and recreation:						
Pool facilities	780,360	-	17,250	797,610	737,712	59,898
Tennis facilities	70,878	-	4,652	75,530	73,176	2,354
Community center facilities	329,263	-	(19,342)	309,921	284,845	25,076
Parks and recreational facilities	2,632,655	38,494	(9,610)	2,661,539	2,640,182	21,357
Parks buildings and landscape	-	22,605	-	22,605	13,211	9,394
Parks and recreational administration	546,422	-	(5,000)	541,422	456,685	84,737
Community programs	494,354	2,441	(52,517)	444,278	433,669	10,609
Athletics programs	1,368,182	-	49,757	1,417,939	1,177,127	240,812
Total culture and recreation	<u>6,222,114</u>	<u>63,540</u>	<u>(14,810)</u>	<u>6,270,844</u>	<u>5,816,607</u>	<u>454,237</u>
Capital outlay	<u>31,510</u>	<u>8,412</u>	<u>22,810</u>	<u>62,732</u>	<u>42,210</u>	<u>20,522</u>
Total expenditures	<u>6,253,624</u>	<u>71,952</u>	<u>8,000</u>	<u>6,333,576</u>	<u>5,858,817</u>	<u>474,759</u>
Excess (deficiency) of revenues over expenditures	<u>(4,341,125)</u>	<u>(71,952)</u>	<u>(8,000)</u>	<u>(4,421,077)</u>	<u>(3,039,623)</u>	<u>1,381,454</u>
Other financing sources (uses):						
Operating contingency	-	-	(160,000)	(160,000)	-	160,000
Transfers in	8,503,482	-	-	8,503,482	8,503,482	-
Transfers out	<u>(3,662,357)</u>	<u>-</u>	<u>-</u>	<u>(3,662,357)</u>	<u>(3,251,634)</u>	<u>410,723</u>
Total other financing sources (uses)	<u>4,841,125</u>	<u>-</u>	<u>(160,000)</u>	<u>4,681,125</u>	<u>5,251,848</u>	<u>570,723</u>
Net change in fund balance	500,000	(71,952)	(168,000)	260,048	2,212,225	1,952,177
Fund balance, beginning of year	<u>(500,000)</u>	<u>71,952</u>	<u>168,000</u>	<u>(260,048)</u>	<u>3,134,233</u>	<u>3,394,281</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,346,458</u>	<u>\$ 5,346,458</u>

See note to budgetary comparison schedules

VILLAGE OF WELLINGTON, FLORIDA
NOTE TO BUDGETARY COMPARISON SCHEDULES
SEPTEMBER 30, 2009

NOTE 1. BUDGETARY ACCOUNTING

State of Florida Statutes require that all municipal governments establish budgetary systems and approve annual operating budgets. The Council annually adopts an operating budget and appropriates funds for the general, special revenue, capital projects and debt service funds. The procedures for establishing the budgetary data are as follows:

- ❖ Prior to September 1, the Village Manager submits a proposed operating budget to the Council for the next fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. The Wellington Community Foundation has not adopted an operating budget for the current fiscal year.
- ❖ Public hearings are conducted to obtain taxpayer comments.
- ❖ The Village advises the County Property Appraiser of the proposed millage rate, special assessment levies, and the date, time and place of the public hearing for budget acceptance.
- ❖ The budget and related millage rate and special assessment levies are legally enacted by resolution.

Changes or amendments to the total budget of a fund must be approved by the Council. Changes within a fund which do not affect total fund expenditures may be approved at the administrative level. Accordingly, the legal level of control is at the fund level.

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. The Village also adopts a nonappropriated operating budget for the enterprise funds substantially on a basis consistent with U.S. generally accepted accounting principles. All appropriations lapse at fiscal year end; however, encumbrances and amounts specifically designated to be carried forward to the subsequent year are re-appropriated in the following year.

During the year ended September 30, 2009, several supplementary appropriations were necessary. The supplementary appropriations increased the general fund budget by \$352,745 and the major special revenue funds' budgets by \$202,000. The supplementary appropriations consisted mainly of amounts re-appropriated from the previous budget year.

As required by GASB Statement No. 34, budgetary comparison schedules are presented for the general fund and major special revenue funds.

VILLAGE OF WELLINGTON, FLORIDA
CONDITION RATING OF STREET SYSTEM
SEPTEMBER 30, 2009

CONDITION RATING OF THE VILLAGE'S STREET SYSTEM

Percentage of lane miles in good or better condition

Overall System:

2007	100%
2008	100%
2009	100%

Percentage of lane miles in substandard condition

Overall System:

2007	0%
2008	0%
2009	0%

COMPARISON OF NEEDED-TO-ACTUAL MAINTENANCE/PRESERVATION

	<u>Needed</u>	<u>Actual</u>	<u>Difference</u>
Overall System:			
2002	\$ 566,700	\$ 598,074	\$ 31,374
2003	646,700	1,052,265	405,565
2004	470,110	465,610	(4,500)
2005	535,835	146,758	(389,077)
2006	783,000	898,307	115,307
2007	835,654	438,776	(396,878)
2008	726,050	652,505	(73,545)
2009	<u>2,168,749</u>	<u>1,219,259</u>	<u>(949,490)</u>
Total	<u>\$6,732,798</u>	<u>\$5,471,554</u>	<u>\$(1,261,244)</u>

The condition of street pavement is measured using the Asphalt Pavement Rating Form as developed by the Asphalt Institute. The Asphalt Pavement Rating Form is based on a weighted average of thirteen defects found in pavement surfaces. The form uses a measurement scale that is based on a condition index rating from zero for failed pavement to 100 for pavement in perfect condition. The condition index is used to classify roads in seven categories: excellent (100-85), very good (84-70), good (69-55), fair (54-40), poor (39-25), very poor (24-10), failed (9-0). It is the Village's policy to maintain at least 80% of its street system at a good or better condition. Needed maintenance is calculated based upon inspections and the condition assessment index.

In accordance with GASB Statement No. 34, the Village is required to report at least one complete condition assessment at transition using the modified approach. The condition assessment was completed and documented that the eligible infrastructure assets are being preserved at or above the condition level established. Future assessments will be completed on a cyclical basis (one-third of all the streets in the network every year for three years).

The Village calculates needed maintenance of its street system annually. However, the scheduling of these road projects often crosses fiscal years. Therefore, actual maintenance may be less than the calculated needed maintenance in one fiscal year and greater than the calculated needed maintenance in the subsequent fiscal year. Maintenance budgeted in 2009 is scheduled to occur over two years.



**COMBINING NONMAJOR FUND STATEMENTS AND
OTHER SUPPLEMENTAL INFORMATION**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are maintained to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

Surface Water Management Fund – Accounts for all financial resources and expenditures applicable to the operations of the Acme Improvement District, a dependent special district of the Village, related solely to the water management facilities in accordance with the Plan of Reclamation and existing operations, construction of capital facilities, and maintenance of the same. The funding source is non-ad valorem special assessments against all taxable units within the District.

Gas Tax Maintenance Fund – Accounts for gas tax revenues and expenditures related to road maintenance projects.

Wellington Community Foundation – Accounts for revenues and expenditures related to the Wellington Community Foundation, a blended component unit of the Village. The Foundation has not adopted an operating budget for the current fiscal year.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are maintained to account for the proceeds of specific revenue sources that are legally restricted for capital expenditures.

Recreation Impact Fees Fund – Accounts for impact fee revenues and expenditures for recreation construction projects.

Gas Tax Capital Fund – Accounts for gas tax revenues and expenditures related to road construction projects.

Road Impact Fees Fund – Accounts for impact fee revenues and expenditures for road construction projects.

DEBT SERVICE FUND

Debt service funds are maintained to account for the payment of interest and principal requirements on long-term debt. The Village maintains one debt service fund for the repayment of revenue bonds.

VILLAGE OF WELLINGTON, FLORIDA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS SEPTEMBER 30, 2009

	Special Revenue Funds			Capital Project Funds				
	Surface Water Management	Gas Tax Maintenance	Wellington Community Foundation	Recreation Impact Fees	Gas Tax Capital	Road Impact Fees		
ASSETS								
Cash and cash equivalents	\$ 382,982	\$ 296,558	\$ 200,000	\$ 3,362,355	\$ 2,351,230	\$ 3,157,170	\$ 22,667	\$ 9,772,962
Investments	886,360	686,344	-	7,781,718	5,441,609	4,530,020	52,459	19,378,510
Accrued interest receivable	7,888	3,616	-	50,414	31,241	30,643	-	123,802
Due from other governments	246,457	81,214	-	-	38,821	-	-	366,492
Prepaid items	9,413	-	-	-	-	-	-	9,413
Total assets	<u>\$ 1,533,100</u>	<u>\$ 1,067,732</u>	<u>\$ 200,000</u>	<u>\$ 11,194,487</u>	<u>\$ 7,862,901</u>	<u>\$ 7,717,833</u>	<u>\$ 75,126</u>	<u>\$ 29,651,179</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 81,873	\$ 38,440	\$ -	\$ 205,057	\$ 399,088	\$ 37,425	\$ -	\$ 761,883
Retainage payable	-	-	-	53,049	-	-	-	53,049
Due to other funds	-	-	200,000	-	-	-	-	200,000
Due to other governments	4,460	-	-	-	-	-	-	4,460
Total liabilities	<u>86,333</u>	<u>38,440</u>	<u>200,000</u>	<u>258,106</u>	<u>399,088</u>	<u>37,425</u>	<u>-</u>	<u>1,019,392</u>
Fund balances:								
Reserved for:								
Encumbrances	23,720	-	-	47,135	724,291	349,127	-	1,144,273
Capital improvements	-	-	-	10,889,246	6,739,522	7,331,281	-	24,960,049
Debt service	-	-	-	-	-	-	75,126	75,126
Prepaid items	9,413	-	-	-	-	-	-	9,413
Unreserved, designated for:								
Road maintenance	-	1,029,292	-	-	-	-	-	1,029,292
Unreserved, undesignated	1,413,634	-	-	-	-	-	-	1,413,634
Total fund balances	<u>1,446,767</u>	<u>1,029,292</u>	<u>-</u>	<u>10,936,381</u>	<u>7,463,813</u>	<u>7,680,408</u>	<u>75,126</u>	<u>28,631,787</u>
Total liabilities and fund balances	<u>\$ 1,533,100</u>	<u>\$ 1,067,732</u>	<u>\$ 200,000</u>	<u>\$ 11,194,487</u>	<u>\$ 7,862,901</u>	<u>\$ 7,717,833</u>	<u>\$ 75,126</u>	<u>\$ 29,651,179</u>

VILLAGE OF WELLINGTON, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2009

	Special Revenue Funds			Capital Project Funds			Debt Service Fund	Total Nonmajor Funds
	Surface Water Management	Gas Tax Maintenance	Wellington Community Foundation	Recreation Impact Fees	Gas Tax Capital	Road Impact Fees		
Revenues:								
Special assessments	\$ 3,549,190	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,549,190
Impact fees	-	-	-	265,321	-	91,327	-	356,648
Intergovernmental revenue	208,809	1,124,180	-	-	748,304	-	-	2,081,293
Charges for services	282,615	-	-	-	-	-	-	282,615
Investment income	83,431	32,054	-	446,844	276,907	292,794	-	1,132,030
Miscellaneous	52,392	2,318	200,000	10,199	-	-	-	264,909
Total revenues	<u>4,176,437</u>	<u>1,158,552</u>	<u>200,000</u>	<u>722,364</u>	<u>1,025,211</u>	<u>384,121</u>	<u>-</u>	<u>7,666,685</u>
Expenditures:								
Current:								
Physical environment	1,609,459	-	-	-	-	-	-	1,609,459
Transportation	-	1,526,599	-	-	-	-	-	1,526,599
Culture and recreation	-	-	200,000	-	-	-	-	200,000
Capital outlay	90,818	162,272	-	1,052,503	2,988,422	1,169,942	-	5,463,957
Debt service:								
Principal	-	-	-	-	-	-	1,270,000	1,270,000
Interest and other charges	-	-	-	-	-	-	883,533	883,533
Total expenditures	<u>1,700,277</u>	<u>1,688,871</u>	<u>200,000</u>	<u>1,052,503</u>	<u>2,988,422</u>	<u>1,169,942</u>	<u>2,153,533</u>	<u>10,953,548</u>
Excess (deficiency) of revenues over expenditures	<u>2,476,160</u>	<u>(530,319)</u>	<u>-</u>	<u>(330,139)</u>	<u>(1,963,211)</u>	<u>(785,821)</u>	<u>(2,153,533)</u>	<u>(3,286,863)</u>
Other financing sources (uses):								
Transfers in	-	1,256,971	-	2,143,900	3,170,940	490,400	2,153,567	9,215,778
Transfers out	(1,150,857)	(548,146)	-	(1,466,566)	(115,281)	(490,233)	-	(3,771,083)
Total other financing sources (uses)	<u>(1,150,857)</u>	<u>708,825</u>	<u>-</u>	<u>677,334</u>	<u>3,055,659</u>	<u>167</u>	<u>2,153,567</u>	<u>5,444,695</u>
Net change in fund balances	1,325,303	178,506	-	347,195	1,092,448	(785,654)	34	2,157,832
Fund balances, beginning of year	121,464	850,786	-	10,589,186	6,371,365	8,466,062	75,092	26,473,955
Fund balances, end of year	<u>\$ 1,446,767</u>	<u>\$ 1,029,292</u>	<u>\$ -</u>	<u>\$ 10,936,381</u>	<u>\$ 7,463,813</u>	<u>\$ 7,680,408</u>	<u>\$ 75,126</u>	<u>\$ 28,631,787</u>

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SURFACE WATER MANAGEMENT - SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Special assessments	\$ 3,577,758	\$ 3,577,758	\$ 3,549,190	\$ (28,568)
Intergovernmental revenue	-	-	208,809	208,809
Charges for services	334,918	334,918	282,615	(52,303)
Investment income	64,000	64,000	83,431	19,431
Miscellaneous	<u>25,000</u>	<u>25,000</u>	<u>52,392</u>	<u>27,392</u>
Total revenues	<u>4,001,676</u>	<u>4,001,676</u>	<u>4,176,437</u>	<u>174,761</u>
Expenditures:				
Current:				
Physical environment				
Environmental services BMP	301,077	316,077	240,324	75,753
Surface water management	<u>1,662,669</u>	<u>1,684,793</u>	<u>1,369,135</u>	<u>315,658</u>
Total physical environment	<u>1,963,746</u>	<u>2,000,870</u>	<u>1,609,459</u>	<u>391,411</u>
Capital outlay	<u>86,920</u>	<u>100,320</u>	<u>90,818</u>	<u>9,502</u>
Total expenditures	<u>2,050,666</u>	<u>2,101,190</u>	<u>1,700,277</u>	<u>400,913</u>
Excess of revenues over expenditures	<u>1,951,010</u>	<u>1,900,486</u>	<u>2,476,160</u>	<u>575,674</u>
Other financing uses:				
Operating contingency	-	(112,000)	-	112,000
Transfers out	<u>(1,128,788)</u>	<u>(1,128,788)</u>	<u>(1,150,857)</u>	<u>(22,069)</u>
Total other financing uses	<u>(1,128,788)</u>	<u>(1,240,788)</u>	<u>(1,150,857)</u>	<u>89,931</u>
Net change in fund balance	822,222	659,698	1,325,303	665,605
Fund balance, beginning of year	<u>(822,222)</u>	<u>(659,698)</u>	<u>121,464</u>	<u>781,162</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,446,767</u>	<u>\$ 1,446,767</u>

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GAS TAX MAINTENANCE - SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental revenue	\$ 1,116,000	\$ 1,116,000	\$ 1,124,180	\$ 8,180
Investment income	30,000	30,000	32,054	2,054
Miscellaneous	<u>-</u>	<u>-</u>	<u>2,318</u>	<u>2,318</u>
Total revenues	<u>1,146,000</u>	<u>1,146,000</u>	<u>1,158,552</u>	<u>12,552</u>
Expenditures:				
Current:				
Transportation	1,710,360	1,733,014	1,526,599	206,415
Capital outlay	<u>171,470</u>	<u>186,510</u>	<u>162,272</u>	<u>24,238</u>
Total expenditures	<u>1,881,830</u>	<u>1,919,524</u>	<u>1,688,871</u>	<u>230,653</u>
Excess (deficiency) of revenues over expenditures	<u>(735,830)</u>	<u>(773,524)</u>	<u>(530,319)</u>	<u>243,205</u>
Other financing sources (uses):				
Operating contingency	-	(50,000)	-	50,000
Transfers in	1,256,971	1,256,971	1,256,971	-
Transfers out	<u>(521,141)</u>	<u>(521,141)</u>	<u>(548,146)</u>	<u>(27,005)</u>
Total other financing sources	<u>735,830</u>	<u>685,830</u>	<u>708,825</u>	<u>22,995</u>
Net change in fund balance	-	(87,694)	178,506	266,200
Fund balance, beginning of year	<u>-</u>	<u>87,694</u>	<u>850,786</u>	<u>763,092</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,029,292</u>	<u>\$ 1,029,292</u>

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WELLINGTON COMMUNITY FOUNDATION - SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 200,000	\$ 200,000
Expenditures:				
Current:				
Culture and recreation	-	-	200,000	(200,000)
Excess of revenues over expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RECREATION IMPACT FEES - CAPITAL PROJECTS FUND
YEAR ENDED SEPTEMBER 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Impact fees	\$ 368,950	\$ 368,950	\$ 265,321	\$ (103,629)
Investment income	275,000	275,000	446,844	171,844
Miscellaneous	-	-	10,199	10,199
Total revenues	<u>643,950</u>	<u>643,950</u>	<u>722,364</u>	<u>78,414</u>
Expenditures:				
Capital outlay	<u>1,260,000</u>	<u>1,164,094</u>	<u>1,052,503</u>	<u>111,591</u>
Excess (deficiency) of revenues over expenditures	(616,050)	(520,144)	(330,139)	190,005
Other financing sources (uses):				
Transfers in	2,082,500	2,143,900	2,143,900	-
Transfers out	<u>(1,466,450)</u>	<u>(1,466,450)</u>	<u>(1,466,566)</u>	<u>(116)</u>
Total other financing sources (uses)	<u>616,050</u>	<u>677,450</u>	<u>677,334</u>	<u>(116)</u>
Net change in fund balance	-	157,306	347,195	189,889
Fund balance, beginning of year	<u>-</u>	<u>(157,306)</u>	<u>10,589,186</u>	<u>10,746,492</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,936,381</u>	<u>\$ 10,936,381</u>

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GAS TAX CAPITAL - CAPITAL PROJECTS FUND
YEAR ENDED SEPTEMBER 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental revenue	\$ 805,000	\$ 805,000	\$ 748,304	\$ (56,696)
Investment income	<u>121,000</u>	<u>121,000</u>	<u>276,907</u>	<u>155,907</u>
Total revenues	<u>926,000</u>	<u>926,000</u>	<u>1,025,211</u>	<u>99,211</u>
Expenditures:				
Capital outlay	<u>3,779,948</u>	<u>4,104,355</u>	<u>2,988,422</u>	<u>1,115,933</u>
Excess (deficiency) of revenues over expenditures	<u>(2,853,948)</u>	<u>(3,178,355)</u>	<u>(1,963,211)</u>	<u>1,215,144</u>
Other financing sources (uses):				
Transfers in	3,170,940	3,170,940	3,170,940	-
Transfers out	<u>(115,300)</u>	<u>(115,300)</u>	<u>(115,281)</u>	<u>19</u>
Total other financing sources	<u>3,055,640</u>	<u>3,055,640</u>	<u>3,055,659</u>	<u>19</u>
Net change in fund balance	201,692	(122,715)	1,092,448	1,215,163
Fund balance, beginning of year	<u>(201,692)</u>	<u>122,715</u>	<u>6,371,365</u>	<u>6,248,650</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,463,813</u>	<u>\$ 7,463,813</u>

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL ROAD IMPACT FEES - CAPITAL PROJECTS FUND YEAR ENDED SEPTEMBER 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Impact fees	\$ 250,000	\$ 250,000	\$ 91,327	\$ (158,673)
Investment income	<u>101,000</u>	<u>101,000</u>	<u>292,794</u>	<u>191,794</u>
Total revenues	<u>351,000</u>	<u>351,000</u>	<u>384,121</u>	<u>33,121</u>
Expenditures:				
Capital outlay	<u>-</u>	<u>1,812,391</u>	<u>1,169,942</u>	<u>642,449</u>
Excess (deficiency) of revenues over expenditures	351,000	(1,461,391)	(785,821)	675,570
Other financing sources (uses):				
Transfers in	490,400	490,400	490,400	-
Transfers out	<u>(490,400)</u>	<u>(490,400)</u>	<u>(490,233)</u>	<u>167</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>167</u>	<u>167</u>
Net change in fund balance	351,000	(1,461,391)	(785,654)	675,737
Fund balance, beginning of year	<u>(351,000)</u>	<u>1,461,391</u>	<u>8,466,062</u>	<u>7,004,671</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,680,408</u>	<u>\$ 7,680,408</u>

VILLAGE OF WELLINGTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED SEPTEMBER 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Debt service:				
Principal	1,270,000	1,270,000	1,270,000	-
Interest and other fiscal charges	<u>883,700</u>	<u>883,700</u>	<u>883,533</u>	<u>167</u>
Total expenditures	<u>2,153,700</u>	<u>2,153,700</u>	<u>2,153,533</u>	<u>167</u>
Excess (deficiency) of revenues over expenditures	(2,153,700)	(2,153,700)	(2,153,533)	167
Other financing source				
Transfers in	<u>2,153,700</u>	<u>2,153,700</u>	<u>2,153,567</u>	<u>(133)</u>
Net change in fund balance	-	-	34	34
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>75,092</u>	<u>75,092</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,126</u>	<u>\$ 75,126</u>

BUDGETARY COMPARISON SCHEDULE

Major Capital Projects Fund – Accounts for general government capital expenditures.

VILLAGE OF WELLINGTON, FLORIDA

BUDGETARY COMPARISON SCHEDULE

CAPITAL PROJECTS FUND

YEAR ENDED SEPTEMBER 30, 2009

	Original Adopted Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ 5,814,681	\$ 5,814,682	\$ 1
Investment income	-	-	778,048	778,048
Miscellaneous	-	-	204,375	204,375
Total revenues	-	5,814,681	6,797,105	982,424
Expenditures:				
Capital outlay:				
Information technology	-	134,700	32,675	102,025
Surface water management	278,625	677,706	567,558	110,148
SWAT	60,000	14,372,942	6,572,022	7,800,920
Landscape capital	-	25,000	-	25,000
Operations	-	340,950	245,613	95,337
Community Center	-	11,100	-	11,100
Parks and recreation	1,181,250	828,681	465,049	363,632
Total expenditures	1,519,875	16,391,079	7,882,917	8,508,162
Excess (deficiency) of revenues over expenditures	(1,519,875)	(10,576,398)	(1,085,812)	9,490,586
Other financing sources (uses):				
Transfers in	1,519,875	1,708,875	1,519,875	(189,000)
Transfers out	-	(61,400)	(61,400)	-
Total other financing sources (uses)	1,519,875	1,647,475	1,458,475	(189,000)
Net change in fund balance	-	(8,928,923)	372,663	9,301,586
Fund balance, beginning of year	-	8,928,923	19,437,959	10,509,036
Fund balance, end of year	\$ -	\$ -	\$ 19,810,622	\$ 19,810,622



STATISTICAL SECTION

STATISTICAL SECTION

This part of the Village of Wellington's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

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VILLAGE OF WELLINGTON, FLORIDA
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities:								
Invested in capital assets, net of related debt	\$ 78,064,294	\$ 84,456,045	\$ 82,441,223	\$ 87,127,009	\$ 93,261,010	\$ 102,900,650	\$ 105,313,318	\$ 113,282,864
Restricted	18,622,481	25,190,120	28,588,134	31,215,236	35,387,426	31,349,198	50,931,320	50,839,732
Unrestricted	12,472,618	8,908,406	17,165,777	20,093,412	19,920,739	33,216,768	25,448,440	31,818,081
Total governmental activities net assets	<u>109,159,393</u>	<u>118,554,571</u>	<u>128,195,134</u>	<u>138,435,657</u>	<u>148,569,175</u>	<u>167,466,616</u>	<u>181,693,078</u>	<u>195,940,677</u>
Business-type activities:								
Invested in capital assets, net of related debt	45,917,353	61,103,841	63,977,950	67,896,249	72,761,237	80,708,481	96,014,639	99,398,303
Restricted	3,088,414	22,753,650	35,173,687	48,595,838	30,963,300	33,665,075	8,742,086	21,733,487
Unrestricted	47,811,998	30,396,608	22,308,368	9,074,416	34,588,893	29,172,362	39,994,834	20,062,300
Total business-type activities net assets	<u>96,817,765</u>	<u>114,254,099</u>	<u>121,460,005</u>	<u>125,566,503</u>	<u>138,313,430</u>	<u>143,545,918</u>	<u>144,751,559</u>	<u>141,194,090</u>
Total government:								
Invested in capital assets, net of related debt	123,981,647	145,559,886	146,419,173	155,023,258	166,022,247	183,609,131	201,327,957	212,681,167
Restricted	21,710,895	47,943,770	63,761,821	79,811,074	66,350,726	65,014,273	59,673,406	72,573,219
Unrestricted	60,284,616	39,305,014	39,474,145	29,167,828	54,509,632	62,389,130	65,443,274	51,880,381
Total government net assets	<u>\$ 205,977,158</u>	<u>\$ 232,808,670</u>	<u>\$ 249,655,139</u>	<u>\$ 264,002,160</u>	<u>\$ 286,882,605</u>	<u>\$ 311,012,534</u>	<u>\$ 326,444,637</u>	<u>\$ 337,134,767</u>

Note: Information prior to 2002 is not available.

VILLAGE OF WELLINGTON, FLORIDA
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Expenses:								
Governmental activities:								
General government	\$ 5,862,465	\$ 6,783,423	\$ 7,260,676	\$ 8,214,967	\$ 9,293,043	\$ 10,385,722	\$ 9,819,425	\$ 9,203,136
Public safety	3,530,068	3,820,632	4,634,172	5,031,954	5,099,928	5,719,752	6,457,703	6,986,980
Planning and development	2,936,249	3,082,967	3,396,474	4,091,661	4,216,156	4,196,096	3,883,055	3,505,764
Engineering and public works	3,269,210	3,512,188	3,765,102	5,102,076	6,143,913	5,916,475	6,175,334	7,901,374
Surface water management	1,659,368	1,239,037	1,264,735	1,582,326	1,693,334	1,994,542	2,377,394	3,023,475
Transportation	2,051,330	2,778,554	2,936,346	2,658,572	3,756,901	2,702,582	2,813,499	2,629,113
Culture and recreation	6,018,165	6,064,085	6,564,874	8,501,932	9,881,157	10,010,036	9,425,290	8,421,140
Interest on long-term debt	927,545	1,188,924	1,184,013	1,027,675	1,048,372	983,376	936,748	882,802
	<u>26,254,400</u>	<u>28,469,810</u>	<u>31,006,392</u>	<u>36,211,163</u>	<u>41,132,804</u>	<u>41,908,581</u>	<u>41,888,448</u>	<u>42,553,784</u>
Indirect expense allocation	<u>(2,184,394)</u>	<u>(1,811,147)</u>	<u>(1,498,361)</u>	<u>(2,235,957)</u>	<u>(2,250,000)</u>	<u>(2,223,268)</u>	<u>(5,453,586)</u>	<u>(3,643,904)</u>
Total governmental activities	<u>24,070,006</u>	<u>26,658,663</u>	<u>29,508,031</u>	<u>33,975,206</u>	<u>38,882,804</u>	<u>39,685,313</u>	<u>36,434,862</u>	<u>38,909,880</u>
Business-type activities:								
Utility system	10,721,966	10,278,556	11,465,865	10,945,930	11,082,245	11,747,934	12,089,449	16,051,971
Solid waste	1,405,410	1,573,480	4,006,221	6,238,214	8,407,711	2,145,953	2,228,903	5,837,492
	<u>12,127,376</u>	<u>11,852,036</u>	<u>15,472,086</u>	<u>17,184,144</u>	<u>19,489,956</u>	<u>13,893,887</u>	<u>14,318,352</u>	<u>21,889,463</u>
Indirect expense allocation	<u>2,184,394</u>	<u>1,811,147</u>	<u>1,498,361</u>	<u>2,235,957</u>	<u>2,250,000</u>	<u>2,223,268</u>	<u>5,453,586</u>	<u>3,643,904</u>
Total business-type activities	<u>14,311,770</u>	<u>13,663,183</u>	<u>16,970,447</u>	<u>19,420,101</u>	<u>21,739,956</u>	<u>16,117,155</u>	<u>19,771,938</u>	<u>25,533,367</u>
Total government expenses	<u>\$ 38,381,776</u>	<u>\$ 40,321,846</u>	<u>\$ 46,478,478</u>	<u>\$ 53,395,307</u>	<u>\$ 60,622,760</u>	<u>\$ 55,802,468</u>	<u>\$ 56,206,800</u>	<u>\$ 64,443,247</u>
Program revenues:								
Governmental activities:								
Charges for services:								
General government	\$ 355,972	\$ 330,233	\$ 238,627	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	262,650	300,308	275,880	285,956	263,345	247,497	308,626	391,333
Planning and development	4,149,690	5,633,693	5,505,353	6,374,037	4,632,493	3,835,891	3,262,929	3,090,636
Engineering and public works	-	-	-	344,956	612,905	788,135	289,984	82,541
Surface water management	262,300	3,105,826	3,098,084	3,126,587	3,144,338	3,157,024	3,865,813	3,831,805
Transportation	402,971	694,122	760,992	1,465,267	1,044,306	668,750	334,597	102,042
Culture and recreation	2,420,423	3,470,319	6,039,520	5,683,900	3,195,745	2,548,536	2,256,172	1,732,729
Operating grants and contributions	2,100,368	2,126,925	1,206,275	1,943,719	3,102,633	3,902,464	2,057,158	2,696,528
Capital grants and contributions	316,000	1,237,268	962,437	10,639	45,447	5,368,533	2,590,188	6,344,784
Total governmental activities program revenues:	<u>10,270,374</u>	<u>16,898,694</u>	<u>18,087,168</u>	<u>19,235,061</u>	<u>16,041,212</u>	<u>20,516,830</u>	<u>14,965,467</u>	<u>18,272,398</u>
Business-type activities:								
Charges for services:								
Utility system	11,692,525	12,636,193	13,348,053	13,642,693	13,799,601	13,459,355	13,129,276	14,502,578
Solid waste	1,742,535	1,969,284	2,196,596	2,480,804	4,833,697	2,834,369	3,018,730	3,690,053
Operating grants and contributions	-	-	1,113,196	1,305,602	8,037,716	778,676	1,522,575	-
Capital grants and contributions	8,747,614	15,299,995	5,973,688	2,836,718	3,990,421	713,453	1,068,875	2,093,940
Total business-type activities program revenues	<u>22,182,674</u>	<u>29,905,472</u>	<u>22,631,533</u>	<u>20,265,817</u>	<u>30,661,435</u>	<u>17,785,853</u>	<u>18,739,456</u>	<u>20,286,571</u>
Total program revenues	<u>\$ 32,453,048</u>	<u>\$ 46,804,166</u>	<u>\$ 40,718,701</u>	<u>\$ 39,500,878</u>	<u>\$ 46,702,647</u>	<u>\$ 38,302,683</u>	<u>\$ 33,704,923</u>	<u>\$ 38,558,969</u>

VILLAGE OF WELLINGTON, FLORIDA

CHANGES IN NET ASSETS (Continued) LAST EIGHT FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Net (expense) revenue:								
Governmental activities	\$ (13,799,632)	\$ (9,759,969)	\$ (11,420,863)	\$ (14,740,145)	\$ (22,841,592)	\$ (19,168,483)	\$ (21,469,395)	\$ (20,637,482)
Business-type activities	7,870,904	16,242,289	5,661,086	845,716	8,921,479	1,668,698	(1,032,482)	(5,246,796)
Total net (expense) revenue	<u>\$ (5,928,728)</u>	<u>\$ 6,482,320</u>	<u>\$ (5,759,777)</u>	<u>\$ (13,894,429)</u>	<u>\$ (13,920,113)</u>	<u>\$ (17,499,785)</u>	<u>\$ (22,501,877)</u>	<u>\$ (25,884,278)</u>
General revenues:								
Governmental activities:								
Taxes:								
Property taxes	\$ 8,801,700	\$ 7,419,620	\$ 9,276,804	\$ 11,305,840	\$ 14,618,529	\$ 18,591,345	\$ 17,412,203	\$ 16,049,186
Franchise fees	1,806,321	2,074,904	2,379,764	2,744,351	3,430,912	3,512,575	3,492,742	3,594,701
Utility taxes	3,957,238	4,599,232	4,863,526	5,493,444	6,044,216	6,130,417	6,184,787	6,634,632
Sales tax	2,744,678	2,913,541	3,235,206	3,691,449	3,935,555	3,957,168	3,837,153	3,382,611
Occupational licenses	139,427	-	-	-	-	-	-	-
Grants and contributions not restricted to specific programs	382,103	448,180	504,157	1,124,386	1,206,534	1,604,210	1,231,994	1,288,129
Investment earnings	1,376,992	781,265	562,948	1,054,412	2,494,561	3,644,017	2,910,930	3,401,293
Gain on sale of capital asset	443,806	-	416,983	119,566	-	-	-	-
Miscellaneous	796,655	1,018,405	797,038	1,628,765	2,828,287	626,192	626,048	534,529
Transfers	(253,395)	(100,000)	(975,000)	(2,181,545)	-	-	-	-
Total governmental activities	<u>20,195,525</u>	<u>19,155,147</u>	<u>21,061,426</u>	<u>24,980,668</u>	<u>34,558,594</u>	<u>38,065,924</u>	<u>35,695,857</u>	<u>34,885,081</u>
Business-type activities:								
Investment earnings	2,163,389	1,001,488	569,820	1,131,842	2,637,429	3,563,790	2,238,123	1,689,327
Gain on disposal of assets	-	92,557	-	(52,605)	445,816	-	-	-
Transfers	253,395	100,000	975,000	2,181,545	-	-	-	-
Total business-type activities	<u>2,416,784</u>	<u>1,194,045</u>	<u>1,544,820</u>	<u>3,260,782</u>	<u>3,083,245</u>	<u>3,563,790</u>	<u>2,238,123</u>	<u>1,689,327</u>
Total general revenues	<u>\$ 22,612,309</u>	<u>\$ 20,349,192</u>	<u>\$ 22,606,246</u>	<u>\$ 28,241,450</u>	<u>\$ 37,641,839</u>	<u>\$ 41,629,714</u>	<u>\$ 37,933,980</u>	<u>\$ 36,574,408</u>
Change in net assets:								
Governmental activities	\$ 6,395,893	\$ 9,395,178	\$ 9,640,563	\$ 10,240,523	\$ 11,717,002	\$ 18,897,441	\$ 14,226,462	\$ 14,247,599
Business-type activities	10,287,688	17,436,334	7,205,906	4,106,498	12,004,724	5,232,488	1,205,641	(3,557,469)
Total change in net assets	<u>\$ 16,683,581</u>	<u>\$ 26,831,512</u>	<u>\$ 16,846,469</u>	<u>\$ 14,347,021</u>	<u>\$ 23,721,726</u>	<u>\$ 24,129,929</u>	<u>\$ 15,432,103</u>	<u>\$ 10,690,130</u>

Note: Information prior to 2002 is not available.

VILLAGE OF WELLINGTON, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
General fund:								
Reserved	\$ 3,945,217	\$ 1,009,210	\$ 5,721,818	\$ 4,701,922	\$ 4,422,049	\$ 5,222,484	\$ 918,193	\$ 646,625
Unreserved	<u>10,943,543</u>	<u>17,025,472</u>	<u>12,216,791</u>	<u>12,831,399</u>	<u>13,010,430</u>	<u>24,344,604</u>	<u>21,717,188</u>	<u>23,577,651</u>
Total general fund	<u>14,888,760</u>	<u>18,034,682</u>	<u>17,938,609</u>	<u>17,533,321</u>	<u>17,432,479</u>	<u>29,567,088</u>	<u>22,635,381</u>	<u>24,224,276</u>
All other governmental funds:								
Reserved	13,537,529	24,375,094	23,384,127	26,593,673	36,074,651	31,256,900	49,680,929	49,378,996
Unreserved, reported in:								
Special revenue funds	<u>8,231,429</u>	<u>3,275,014</u>	<u>5,170,854</u>	<u>7,992,828</u>	<u>2,862,045</u>	<u>4,320,374</u>	<u>4,737,308</u>	<u>9,574,791</u>
Total all other governmental funds	<u>21,768,958</u>	<u>27,650,108</u>	<u>28,554,981</u>	<u>34,586,501</u>	<u>38,936,696</u>	<u>35,577,274</u>	<u>54,418,237</u>	<u>58,953,787</u>
Total governmental funds	<u>\$ 36,657,718</u>	<u>\$ 45,684,790</u>	<u>\$ 46,493,590</u>	<u>\$ 52,119,822</u>	<u>\$ 56,369,175</u>	<u>\$ 65,144,362</u>	<u>\$ 77,053,618</u>	<u>\$ 83,178,063</u>

Note: Information prior to 2002 is not available.

VILLAGE OF WELLINGTON, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Revenues:								
Ad valorem taxes	\$ 5,988,044	\$ 7,419,620	\$ 9,276,804	\$ 11,305,840	\$ 14,618,529	\$ 18,591,345	\$ 17,412,203	\$ 16,049,186
Franchise fees	1,806,321	2,074,904	2,379,764	2,744,351	3,430,912	3,512,575	3,492,742	3,594,701
Utility taxes	3,957,238	4,599,232	4,863,526	5,493,443	6,044,216	6,130,417	6,184,787	6,634,632
Special assessments	2,813,656	2,827,160	2,824,179	2,827,653	2,847,120	2,862,096	3,572,397	3,549,190
Impact fees	1,243,927	2,439,987	3,631,777	5,190,651	2,334,864	1,280,370	676,741	356,648
Licenses and p ermits	4,289,117	5,715,589	5,600,787	6,608,264	5,262,986	4,132,615	3,276,635	2,963,269
Intergovernmental revenue	5,289,288	6,737,315	5,922,997	6,770,194	8,290,170	14,832,375	9,716,493	13,507,676
Charges for services	2,197,739	2,251,457	2,285,833	2,199,144	2,069,176	2,223,313	2,145,313	1,766,751
Fines and forfeitures	262,650	300,308	275,880	403,526	258,301	747,439	613,082	540,967
Investment income	1,376,992	781,265	562,948	1,054,410	2,494,561	3,644,017	2,910,930	3,401,293
Miscellaneous	781,877	1,007,004	782,116	1,680,232	2,948,972	626,192	660,002	793,166
Total revenues	<u>30,006,849</u>	<u>36,153,841</u>	<u>38,406,611</u>	<u>46,277,708</u>	<u>50,599,807</u>	<u>58,582,754</u>	<u>50,661,325</u>	<u>53,157,479</u>
Expenditures:								
Current:								
General government	5,324,877	5,995,634	6,765,480	7,733,680	8,588,524	9,928,265	9,228,588	8,776,393
Public safety	3,530,068	3,820,632	4,634,172	5,031,954	5,099,928	5,719,752	6,457,703	6,986,980
Physical environment	6,618,249	6,918,191	7,716,972	9,076,637	10,493,497	10,437,973	10,379,479	11,443,114
Transportation	1,398,041	1,539,299	1,510,342	1,614,248	1,678,057	1,392,802	1,453,173	1,526,599
Culture and recreation	3,952,117	4,098,834	4,426,043	6,044,649	7,012,595	7,334,738	7,035,024	6,016,607
Capital outlay	6,160,868	11,163,250	11,756,471	9,337,123	13,630,058	15,073,268	7,500,174	13,773,712
Debt service:								
Principal retirement	545,000	760,000	985,000	1,110,000	1,115,000	1,170,000	1,215,000	1,270,000
Interest and other fiscal charges	839,106	1,098,371	1,222,401	1,125,985	1,041,979	987,385	936,915	883,533
Total expenditures	<u>28,368,326</u>	<u>35,394,211</u>	<u>39,016,881</u>	<u>41,074,276</u>	<u>48,659,638</u>	<u>52,044,183</u>	<u>44,206,056</u>	<u>50,676,938</u>
Excess (deficiency) of revenues over expenditures	<u>1,638,523</u>	<u>759,630</u>	<u>(610,270)</u>	<u>5,203,432</u>	<u>1,940,169</u>	<u>6,538,571</u>	<u>6,455,269</u>	<u>2,480,541</u>
Other financing sources (uses):								
Transfers in	19,525,599	12,415,248	22,539,411	26,800,713	23,552,453	28,615,829	64,196,121	29,451,290
Transfers out	(17,594,600)	(10,704,101)	(22,016,050)	(26,746,301)	(21,302,453)	(26,392,561)	(58,742,535)	(25,807,386)
Bond proceeds	5,788,998	6,520,578	-	9,995,000	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	(9,931,197)	-	-	-	-
Sale of capital asset	815,216	35,717	895,709	304,585	59,184	13,348	400	-
Total other financing sources (uses)	<u>8,535,213</u>	<u>8,267,442</u>	<u>1,419,070</u>	<u>422,800</u>	<u>2,309,184</u>	<u>2,236,616</u>	<u>5,453,986</u>	<u>3,643,904</u>
Net change in fund balances	<u>\$ 10,173,736</u>	<u>\$ 9,027,072</u>	<u>\$ 808,800</u>	<u>\$ 5,626,232</u>	<u>\$ 4,249,353</u>	<u>\$ 8,775,187</u>	<u>\$ 11,909,255</u>	<u>\$ 6,124,445</u>
Debt service as a percentage of non-capital expenditures								
	5.93%	7.27%	7.73%	6.76%	5.89%	5.71%	5.74%	5.75%

Note: Information prior to 2002 is not available.

VILLAGE OF WELLINGTON, FLORIDA
NET ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Real Property					Total Net Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property	Other Property	Personal Property		
2000	\$ 1,899,967,907	\$ 132,661,839	\$ 20,372,271	\$ 119,110,099	\$ 72,138,602	\$ 2,244,250,718	2.25
2001	2,157,383,554	133,838,500	22,846,403	90,639,952	77,422,123	2,482,130,532	2.50
2002	2,431,976,257	310,455,568	25,327,239	-	79,268,718	2,847,027,782	2.50
2003	2,952,572,108	330,298,258	28,481,331	154,018,481	130,718,703	3,596,088,881	2.50
2004	3,641,006,075	369,858,791	30,515,727	185,930,781	145,278,027	4,372,589,401	2.70
2005	4,721,147,658	456,186,395	44,331,861	189,112,024	215,086,668	5,625,864,606	2.70
2006	6,092,713,171	563,811,312	54,872,431	287,372,676	225,618,567	7,224,388,157	2.70
2007	6,113,988,942	562,689,879	54,872,431	299,079,426	215,200,498	7,245,831,176	2.70
2008	6,493,225,855	649,188,244	64,425,012	376,943,187	222,576,413	7,806,358,711	2.34
2009	6,045,508,619	675,537,691	67,877,389	373,935,182	198,237,894	7,361,096,775	2.34

Source: Palm Beach County Property Appraiser's Office

Note 1: Assessed values are established by the Palm Beach County Property Appraiser's Office as of January 1, each year. Assessments were increased to 100% of market value as of 1980.

Note 2: Property in the Village is reassessed each year. Property is assessed at actual value, therefore, the assessed values are equal to actual value. Tax rates are per \$1,000 of assessed value.

VILLAGE OF WELLINGTON, FLORIDA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	Tax Roll Year	Village General Operations (2)	Overlapping Rates (1)							Total Direct and Overlapping Rates
			Palm Beach County School Board	Palm Beach County	Palm Beach County Health Care District	Palm Beach County Library System	South Florida Water Management District	Children's Services Council	Florida Inland Navigation District	
2000	1999	2.25	9.04	7.86	0.98	0.52	0.70	0.47	0.04	21.86
2001	2000	2.50	8.92	8.03	1.02	0.54	0.60	0.50	0.04	22.15
2002	2001	2.50	8.95	8.09	1.15	0.54	0.60	0.57	0.04	22.44
2003	2002	2.50	8.43	7.97	1.13	0.54	0.70	0.69	0.04	22.00
2004	2003	2.70	8.43	7.97	1.10	0.54	0.70	0.69	0.04	22.17
2005	2004	2.70	8.10	7.82	1.08	0.63	0.70	0.69	0.04	21.76
2006	2005	2.70	8.11	7.82	1.08	0.63	0.70	0.69	0.04	21.77
2007	2006	2.70	7.87	7.46	0.97	0.60	0.70	0.62	0.04	20.96
2008	2007	2.34	7.36	6.76	0.89	0.54	0.62	0.58	0.03	19.12
2009	2008	2.34	7.25	6.92	1.00	0.54	0.62	0.60	0.04	19.31

Source: Wellington's Office of Financial Management and Budget and Palm Beach County Property Appraiser's Office

Note: All millage rates are based on \$1 for every \$1,000 of assessed value. Wellington has a 5 mill limit as specified in its Charter.

- (1) Overlapping rates are those of local and county governments that apply to property owners within the Village of Wellington. Not all overlapping rates apply to all Village of Wellington property owners (i.e. the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).
- (2) The only component of the Village's direct rate is its operating millage. The Village does not have a debt service component.

VILLAGE OF WELLINGTON, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2009			2000		
	Net Assessed Value	Rank	Percent of Total Village Net Assessed Value	Net Assessed Value	Rank	Percent of Total Village Net Assessed Value
TJ Palm Beach Assoc Ltd. Partnership	\$ 165,001,850	1	2.28%			
Wellington Preserve Corporation	54,678,642	2	0.75%			
City National Bank of Florida TR	48,245,334	3	0.67%			
Polo Lakes Apartments LLC	44,614,035	4	0.62%			
Autc Polo Chase Florida LLC	32,177,822	5	0.44%			
Universal Health Realty Income	32,518,294	6	0.45%			
Centre at Wellington Green Ltd.	30,738,208	7	0.42%			
Shoppes at Isla Verde Ltd.	27,657,258	8	0.38%			
Wellington Land Dev.	25,317,649	9	0.35%			
TCRDAD Wellington Ltd. Partnership	24,012,163	10	0.33%	\$ 13,227,680	5	0.61%
Palm Beach Polo Inc.				19,612,507	1	0.90%
RRC FL Six, Inc.				17,400,000	2	0.80%
Polo Chase Venture				16,594,500	3	0.76%
Palm Beach Polo Holdings Inc.				14,313,226	4	0.66%
Courtyard Shops Associates, Inc.				12,497,466	6	0.58%
Lennar Land Partners				9,933,315	7	0.46%
Sentinel Real Estate Fund				9,644,167	8	0.44%
Regency Centers, Inc.				8,606,722	9	0.40%
Wellington Mall Ltd.				6,399,669	10	0.29%
	<u>\$ 484,961,255</u>		<u>6.69%</u>	<u>\$ 128,229,252</u>		<u>5.90%</u>

Source: Tax roll provided by Palm Beach County Property Appraiser's Office

VILLAGE OF WELLINGTON, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Total Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2000	4,315,360	4,279,418	99.17%	15,077	4,294,495	99.52%
2001	5,319,631	5,302,209	99.67%	5,873	5,308,082	99.78%
2002	5,987,887	5,974,509	99.78%	13,378	5,987,887	100.00%
2003	7,443,394	7,410,842	99.56%	(8,230)	7,402,612	99.45%
2004	9,332,211	9,272,110	99.36%	5,840	9,277,950	99.42%
2005	11,805,991	11,305,840	95.76%	5,876	11,311,716	95.81%
2006	15,178,523	14,618,529	96.31%	37,075	14,655,604	96.55%
2007	19,256,493	18,591,345	96.55%	100,521	18,691,866	97.07%
2008	18,270,635	17,412,203	95.30%	11,450	17,423,653	95.36%
2009	16,864,233	16,049,186	95.17%	-	16,049,186	95.17%

Sources: Wellington's Office of Financial Management and Budget and Palm Beach County Tax Collector's Office

VILLAGE OF WELLINGTON, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Governmental Activities Revenue Bonds	Business-Type Activities Revenue Bonds	Total	Percent of Personal Income (1)	Per Capita (1)
2000	\$ 15,225,000	\$ 27,415,000	\$ 42,640,000	87.10%	\$ 491
2001	14,700,000	25,650,000	40,350,000	79.36%	361
2002	19,760,000	23,810,000	43,570,000	83.33%	1,030
2003	25,290,000	22,355,000	47,645,000	89.93%	1,031
2004	24,305,000	22,355,000	46,660,000	78.22%	921
2005	23,855,000	20,255,000	44,110,000	69.23%	871
2006	22,740,000	18,115,000	40,855,000	58.33%	735
2007	21,570,000	15,930,000	37,500,000	n/a	679
2008	20,355,000	13,705,000	34,060,000	n/a	618
2009	19,085,000	11,425,000	30,510,000	n/a	555

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data

n/a Information not available

VILLAGE OF WELLINGTON, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2009

Government Unit	Net Debt Outstanding	Percentage Applicable to the Village of Wellington (1)	Amount Applicable to the Village of Wellington
Debt repaid with property taxes:			
Palm Beach County	\$ 270,150,000	4.525%	\$ 12,224,288
Palm Beach County School Board	32,835,000	4.525%	1,485,784
Other debt:			
Palm Beach County	935,164,000	4.525%	42,316,171
Palm Beach County School Board	1,944,289,000	4.525%	<u>87,979,077</u>
Subtotal, Overlapping Debt			144,005,320
Village of Wellington Direct Debt			<u>19,085,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 163,090,320</u></u>

Sources: Data provided by the Palm Beach County Finance Department and the Palm Beach County School Board

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Village. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Village of Wellington. This process recognizes that, when considering the Village's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values by taking the value that is within the Village's boundaries and dividing it by the County's and School Board's total taxable assessed value. This approach was also used for the other debt.

VILLAGE OF WELLINGTON, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year Ended 09/30	Utility Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage	Public Service Taxes (1)	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
2000	\$ 11,037,090	\$ 3,890,997	\$ 7,146,093	\$ 1,695,000	\$ 1,343,559	2.35	\$4,388,147	\$445,000	\$ 813,416	0.00
2001	11,478,880	4,459,404	7,019,476	1,765,000	1,270,882	2.31	4,968,482	525,000	734,826	3.94
2002	11,842,525	5,831,704	6,010,821	1,840,000	1,193,355	1.98	5,763,559	545,000	713,826	4.58
2003	12,636,193	5,399,318	7,236,875	1,920,000	1,069,010	2.42	6,674,136	570,000	692,026	5.29
2004	13,411,249	6,755,606	6,655,643	-	696,925	9.55	7,243,290	590,000	668,656	5.75
2005	13,900,489	5,961,444	7,939,045	2,100,000	655,024	2.88	8,237,794	705,000	518,144	6.73
2006	13,799,601	6,277,571	7,522,030	2,140,000	612,224	2.73	9,475,128	700,000	507,905	7.84
2007	13,460,525	6,842,245	6,618,280	2,185,000	568,524	2.40	9,642,992	735,000	477,647	7.95
2008	13,129,276	7,273,946	5,855,330	2,225,000	517,349	2.14	9,677,529	765,000	445,065	8.00
2009	14,502,578	8,262,523	6,240,055	2,280,000	457,499	2.28	10,229,333	800,000	411,167	8.45

Source: Wellington's Office of Financial Management and Budget

(1) Public service taxes include franchise fees and utility taxes.

VILLAGE OF WELLINGTON, FLORIDA

DEBT COMPLIANCE

SEPTEMBER 30, 2009

	<u>Policy Limit</u>	<u>Actual</u>
General government debt service as a percentage of non-ad valorem general fund expenditures:		
Debt Limit	20.00%	6.63%
Contribution to CIP from general governmental capital and debt service:	\$ 6,858,626	\$ 2,295,743
Weighted average maturity of all debt programs:		
Governmental	15 years	9 years
Enterprise	20 years	4 years
General government debt per capita:	\$ 850	\$ 347
Net direct tax supported debt as a percentage of property values:	3.00%	n/a
Overlapping governmental debt as a percentage of property values:	5.00%	0.26%
General fund reserve as a percentage of future year's operating budget:	22-30%	39%
Revenue bond coverage		
As a percentage of maximum annual debt service	110.00%	371.64%
As a percentage of average annual debt service	125.00%	408.75%

Source: Wellington's Office of Financial Management and Budget

VILLAGE OF WELLINGTON, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	Village of Wellington		Palm Beach County		
	Population (1)	School Enrollment (2)	Personal Income (1)	Per Capita Personal Income (1)	Unemployment Rate (3)
2000	31,024	9,638	\$ 48,954,794	\$ 43,101	2.6%
2001	40,749	9,893	50,843,978	43,885	3.0%
2002	42,319	10,878	52,287,552	44,042	3.5%
2003	46,208	13,193	52,980,627	43,755	3.3%
2004	49,483	14,312	59,650,738	48,034	3.0%
2005	50,666	13,459	63,717,587	50,371	3.0%
2006	55,564	13,315	70,043,565	55,311	3.7%
2007	55,259	13,586	74,548,299	59,147	4.7%
2008	55,076	13,767	n/a	n/a	7.4%
2009	55,010	13,924	n/a	n/a	11.7%

Sources: (1) University of Florida, Bureau of Economic Research; (2) Palm Beach County School Board Budget Office; and (3) the U.S. Department of Labor, Bureau of Labor Statistics.

Note 1: Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

Note 2: Palm Beach County figures were used for total personal income and unemployment rate as Village of Wellington data is not available.

n/a Information not available

VILLAGE OF WELLINGTON, FLORIDA
PRINCIPAL EMPLOYERS - PALM BEACH COUNTY
CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2009</u>			<u>2000</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
School Board of Palm Beach County	21,718	1	3.93%	N/A	N/A	N/A
Palm Beach County	11,319	2	2.05%	N/A	N/A	N/A
Tenet Healthcare Corp.	4,500	3	0.81%	N/A	N/A	N/A
Florida Power & Light	3,632	4	0.66%	N/A	N/A	N/A
Hospital Corporation of America (HCA)	3,395	5	0.61%	N/A	N/A	N/A
Wackenhut Corporation	3,000	6	0.54%	N/A	N/A	N/A
Florida Atlantic University	2,838	7	0.51%	N/A	N/A	N/A
Veterans Health Administration	2,207	8	0.40%	N/A	N/A	N/A
Office Depot	2,100	9	0.38%	N/A	N/A	N/A
Boca Raton Community Hospital	2,100	10	0.38%	N/A	N/A	N/A
	<u>56,809</u>		<u>10.27%</u>	<u>N/A</u>		<u>N/A</u>

Source: Business Development Board of Palm Beach County

Note: The Village is not a significant area for employment but rather a residential community. Therefore, Palm Beach County statistics were used.

VILLAGE OF WELLINGTON, FLORIDA
 FULL-TIME EQUIVALENT VILLAGE GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Number of Employees:										
General Government	32.0	34.4	39.3	38.8	35.3	45.3	48.3	53.3	50.3	50.3
Culture and Recreation	37.7	45.1	45.6	50.3	53.9	60.4	60.4	52.4	45.4	19.4
Planning and Development	26.0	41.0	41.3	36.0	41.0	48.8	48.8	51.8	39.0	42.0
Engineering and Public Works	51.0	58.0	63.8	68.2	69.2	75.5	77.5	88.5	91.8	115.0
Utility System	42.8	43.0	47.0	49.0	49.0	44.0	44.0	46.0	47.0	52.0
Solid Waste	-	1.0	2.0	2.0	2.0	3.0	3.0	3.0	2.0	2.0
	<u> </u>									
Total Number of Employees	<u>189.5</u>	<u>222.5</u>	<u>239.0</u>	<u>244.3</u>	<u>250.4</u>	<u>277.0</u>	<u>282.0</u>	<u>295.0</u>	<u>275.5</u>	<u>280.7</u>

Source: Village of Wellington Finance Department

VILLAGE OF WELLINGTON, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government:										
Bids, contracts awarded & administered	-	-	-	32	32	33	38	30	20	24
Purchase orders processed	-	-	-	950	1,155	973	1,016	838	795	939
Payroll transactions	-	-	-	7,633	7,689	7,880	8,193	8,232	8,985	8,194
Public safety:										
Police personnel and officers	-	-	-	83	83	88	88	102	115	117
Fire personnel	-	-	-	36	36	36	68	71	71	71
Calls for service	-	-	-	-	40,458	40,228	32,458	36,714	36,784	37,962
Physical environment - Surface water:										
Aquatic weed control in acres	-	-	-	-	2,833	2,837	1,454	1,332	1,380	710
Water quality samples analyzed	-	-	-	-	1,257	1,233	1,236	992	777	896
Canal right-of-way miles maintained	-	-	-	-	530	495	547	560	560	560
Physical environment - Engineering & Public works:										
Work orders performed	-	-	-	-	1,111	872	1,146	1,108	1,034	869
Engineering inspections performed	-	-	-	-	7,024	6,814	3,592	3,998	1,052	-
Planning and development:										
Building inspections	-	-	-	60,982	65,187	67,054	49,359	26,657	21,327	15,781
Single family building permits issued	536	566	950	1,297	1,240	1,200	948	143	81	57
Transportation:										
Miles of roads resurfaced	-	-	-	-	6	17	18	8	15	14
Streets cleaned/swept	-	-	-	-	908	1,201	932	2,168	1,065	1,512
Signs repaired	-	-	-	-	871	1,463	907	373	374	1,654
Culture and recreation:										
Participants registered:										
Athletics	-	-	-	7,755	7,749	15,839	32,732	32,607	11,282	15,829
Community programs	-	-	-	6,850	6,241	4,495	9,768	4,519	2,549	2,081
Tennis	-	-	-	38,264	34,148	39,079	34,192	39,474	39,191	39,474
Pool	-	-	-	6,589	1,847	2,544	1,935	13,949	13,150	11,058
Number of program sessions	-	-	-	-	-	1,347	1,793	2,085	1,526	1,227
Utility system:										
Active accounts - water	15,154	15,535	16,483	17,675	18,917	19,030	19,536	19,695	19,851	19,682
Active accounts - sewer	13,969	14,627	15,219	15,387	16,367	16,718	17,919	17,994	18,004	17,867
Water production (thousands of gallons)	1,821	1,733	1,872	1,990	2,096	2,046	2,019	1,841	1,684	1,848
Solid waste:										
Residential accounts	15,197	16,172	17,029	18,613	19,055	19,030	21,133	22,274	21,977	22,103

Source: Various Village Departments

Note 1: Some indicators are not available for fiscal year 2004 and prior as they were not measured. Except for data on business permits, utility system and solid waste, there are no indicators available prior to fiscal 2003.

Note 2: Beginning in 2006 the Palm Beach County Sheriff's Office no longer reports "self generated" calls for resident and business checks.

VILLAGE OF WELLINGTON, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST SEVEN FISCAL YEARS

Function/Program	2003	2004	2005	2006	2007	2008	2009
General government:							
Number of general government buildings	1	1	1	1	1	1	1
Public safety:							
Police:							
Sheriff substations	1	1	1	1	1	1	1
Fire:							
Fire stations	3	3	3	4	4	4	4
Suppression units	6	6	6	6	6	6	9
Early response stabilization units	3	3	3	3	3	3	4
Physical environment:							
Acreage of lakes	270	270	270	270	270	166	166
Canal miles						110	110
Transportation:							
Miles of streets	172	179	179	178	174	176	152
Number of street lights	1,245	1,245	1,245	2,187	2,187	2,187	2,311
Miles of bike paths	33	33	33	32	40	40	40
Miles of sidewalks	290	290	286	286	348	348	348
Culture and recreation:							
Parks acreage	267	267	274	274	342	342	342
Open space preserves/passive recreation						452	452
Community center	1	1	1	1	1	1	1
Swimming pools	1	1	3	3	3	3	3
Tennis courts	16	16	16	16	16	16	16
Baseball/softball fields	18	18	18	18	18	18	18
Utility system:							
Miles of mains	434	434	434	526	526	526	526
Fire hydrants - Village of Wellington	1,503	1,503	1,503	1,746	1,746	1,746	1,746
Fire hydrants - Outside Village of Wellington	173	173	173	195	195	195	195

Source: Various Village Departments

Note 1: Indicators are not available prior to fiscal year 2003

Note 2: Indicators are not available for the solid waste function



COMPLIANCE SECTION



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Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With *Government Auditing Standards*

The Honorable Mayor and
Village Council
Village of Wellington, Florida

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Wellington, Florida, as of and for the year ended September 30, 2009, which collectively comprise the basic financial statements of the Village of Wellington, Florida, and have issued our report thereon dated March 30, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the internal control over financial reporting of the Village of Wellington, Florida, as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting of the Village of Wellington, Florida. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting of the Village of Wellington, Florida.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the Village of Wellington, Florida, are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Village Council and management of the Village of Wellington, Florida, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

*Caler, Donten, Levine,
Porter & Veil, P.A.*

March 30, 2010



CALER, DONTEN, LEVINE,
PORTER & VEIL, P.A.

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Management Letter

To the Honorable Mayor and
Village Council
Village of Wellington, Florida

We have audited the financial statements of the Village of Wellington, Florida, as of and for the year ended September 30, 2009, and have issued our report thereon dated March 30, 2010.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated March 30, 2010, should be considered in assessing the results of our audit. Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's report:

1. Section 10.551(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.
2. Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Village complied with Section 218.415, Florida Statutes.
3. Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.
4. Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
5. Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. In connection with our audit, we did not have any such findings.

6. Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the financial statements.
7. Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Village did not meet any of the conditions described in Section 218.503(1), Florida Statutes, as of and for the year ended September 30, 2009.
8. Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the Village for the fiscal year ended September 30, 2009, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2009. In connection with our audit, we determined that these two reports were in substantial agreement.
9. Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures as of September 30, 2009. It is management's responsibility to monitor the Village's financial condition, and our financial condition assessment was based in part on the representations made by management and the review of financial information provided by management. The results of our procedures disclosed no matters that are required to be reported.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. U.S. generally accepted auditing standards require us to indicate that this report is intended solely for the information and use of the Village Council and management of the Village of Wellington, Florida, and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

*Calder, Dauter, Levine,
Porter & Veil, P.A.*

March 30, 2010